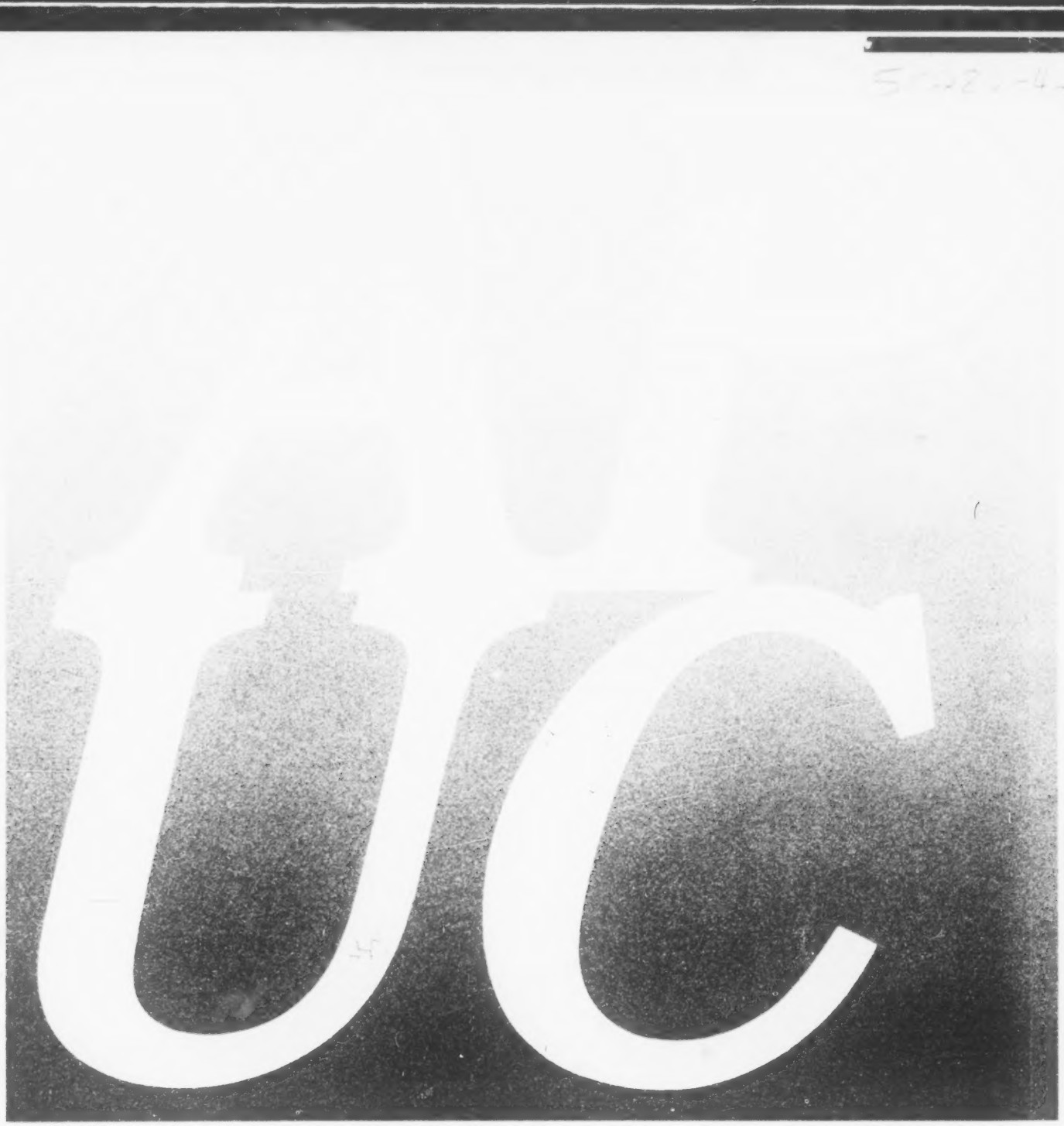


Fiscal Year 1989

ALASKA PUBLIC UTILITIES COMMISSION

ANNUAL REPORT TO THE ALASKA LEGISLATURE

STEVE COWPER, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

420 "L" STREET
SUITE 300
ANCHORAGE, ALASKA 99501
(907) 276-6222

November 30, 1989

Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Senators and Representatives:

Pursuant to AS 42.05.211, we herewith submit to the Legislature the Twentieth Annual Report of the Alaska Public Utilities Commission covering the fiscal year ended June 30, 1989.

Respectfully yours,

ALASKA PUBLIC UTILITIES COMMISSION

Susan M. Knowles
Chairman

Concept A Guess'
Commissioner

Kathleen L Whitaker
Commissioner

Peter Sopolor
Commissioner

J.P. O'Brien
Commissioner

H6LH

TABLE OF CONTENTS

PAGE

Introduction/Message from the Chairman..... 1

Tab: FY89 Annual Report

Tab 1: Agency Performance

Summary of Agency Performance..... 3

Tab 2: Significant Events

Table of Contents..... 22
Telecommunications..... 25
Energy..... 35
Refuse, Sewer, and Water..... 58
Pipelines..... 72
Miscellaneous..... 77

Tab 3: Rate Case Summary

Table of FY89 Rate Cases..... 79

Tab: FY90 Plan

Fiscal Year 1990 Plan..... 84

Tab: Statute

Statutory Review..... 90

Tab: Utility and Pipeline Information

Financial Summary - All Utilities..... 97
Certificated Electric Utilities..... 98
Financial Detail - Electric Utilities..... 103
Sample Monthly Residential Electric Rates..... 107
1988 Kilowatt-Hour Sales..... 113
Power Cost Equalization Participation..... 115
Certificated Gas and Steam Utilities..... 119
Financial Detail - Gas Utilities..... 120

TABLE OF CONTENTS (CONT.)

PAGE

Tab: Utility and Pipeline Information (Cont.)

Sample Monthly Residential Gas Rates..... 120
Certificated Refuse (Garbage) Utilities..... 121
Financial Detail - Refuse (Garbage) Utilities..... 123
Sample Monthly Residential Refuse (Garbage) Rates..... 124
Certificated Sewer Utilities..... 125
Financial Detail - Sewer Utilities..... 127
Sample Monthly Residential Sewer Rates..... 127
Certificated Telecommunications (Telephone) Utilities). 128
Financial Detail - Telephone Utilities..... 131
Sample Monthly Residential Telephone Rates..... 133
Certificated Telecommunications (CATV) Utilities..... 141
Certificated Telecommunications (RCC) Utilities..... 142
Certificated Water Utilities..... 144
Financial Detail - Water Utilities..... 146
Sample Monthly Residential Water Rates..... 148
Areas Served by Certificated Utilities..... 150
Financial Summary - Pipeline Carriers..... 163
Certificated Pipeline Carriers..... 164
Financial Detail - Pipeline Carriers..... 165
Acronym List of Certificated Entities..... 166
Utility Deregulation Elections..... 175

Tab: Appendix

Biographies..... 177
Commission Organization Chart..... 181
Budget..... 182
Statutes and Regulations..... 183
Synopsis of Court Appeals..... 189

Cover Design by Robbie M H Springs.

MESSAGE FROM THE CHAIRMAN

> "In our opinion, the Alaska Public Utilities Commission is operating in an efficient and effective manner and should continue to regulate public utilities and pipelines."

This was the conclusion of the Division of Legislative Audit which performed a sunset review of the Commission during FY89. The Legislature subsequently extended the existence of the Commission for another four years by passage of HB72. This favorable action demonstrates the Legislature's continued commitment to the public protection mission of the Commission. The Commission is governed by this legislative mandate in all of its actions.

FY89 was notable for an unprecedented number of issues with long-term implications of major significance. The Commission's decisions on these issues will affect the next generation of Alaskans and beyond. In particular, the Commission began the process of restructuring the telecommunications industry to incorporate the changes in accounting, cost separations, and revenue collection procedures that have been adopted elsewhere to accommodate a competitive marketplace. The Commission also approved long-term gas and power supply contracts for several railbelt utilities. These will dictate a major cost of doing business and of buying gas and electric service for many years to come. In addition, the Commission faced the issue of bypass of utility service by large consumers. This is an area of emerging interest and concern

throughout the country with long-term implications for the affected utilities and their captive customers.

For FY90 the Commission has developed a program based on the planning process it initiated last year. Telecommunications issues will continue to dominate the Commission's agenda as the cases begun in FY89 are concluded and the Commission turns its attention to the major public interest question of whether to allow competition in the provision of intrastate toll service. The competition issue that is being abundantly advertised in the public media will be debated on a substantive level in proceedings to be conducted by the Commission. The second phase of the Commission's Power Cost Equalization project also is scheduled for completion in FY90, including joint publication with the Alaska Energy Authority of a "plain language" brochure explaining the program.

The FY89 Annual Report to the Legislature details the Commission's work in FY89, its program for FY90, and information about the public utilities and pipeline carriers operating throughout the state. This record of past and planned activities embodies the Commission's fulfillment of its legislative mandate to protect the public.

Susan M. Knowles

Susan M. Knowles, Chairman

FY 1989
Report

AGENCY PERFORMANCE

The Alaska Public Utilities Commission is a public protection agency with responsibility for regulating public utilities and pipeline carriers. Its duties include issuing certificates of public convenience and necessity for areas or routes to qualified service providers; establishing rates, terms, and conditions of service to the public; and overseeing the practices, services, and facilities of regulated utilities and pipeline carriers. In addition, the Commission is responsible for computing the power costs and resultant assistance amounts for electric utilities participating in the Power Cost Equalization (PCE) program.

The Commission has partial or full jurisdiction over the operations of cable television (CATV), electric, gas, refuse (garbage), radio common carrier, sewer (wastewater), steam, telephone (local exchange and interexchange), and water utilities and oil and gas pipeline carriers. The regulation of some types and sizes of utilities is limited under the law. In addition, there are statutory provisions which allow the customers of cooperatives and certain small utilities to elect to be economically deregulated and which allow electric cooperatives to adjust rates using a simplified rate filing procedure.

Certificates of public convenience and necessity are currently held by 327 utilities and pipeline carriers. Of

these, 104 utilities and 15 pipeline carriers are regulated as to rates, service, practices, and facilities.

The Commission's regulatory responsibilities are fulfilled through a number of procedures, including audits, investigations, public meetings, tariff action meetings, formal adjudicatory proceedings, promulgation of regulations, informal meetings, conferences, and complaint resolution by telephone, mail, meeting, or adjudication. The Commission functions as a quasi-judicial body when rendering decisions in formal proceedings and as a quasi-legislative body when promulgating regulations. Its proceedings and determinations are governed by the statutes and regulations of the state.

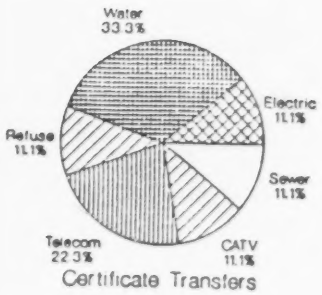
This section of the Annual Report will provide a statistical summary of the major activities of the Commission during FY89.

Certification Proceedings

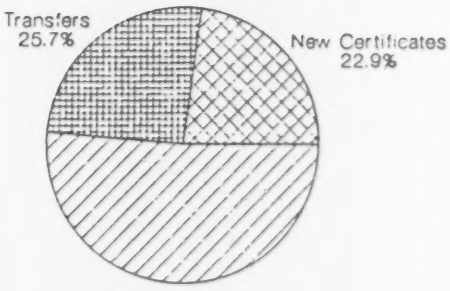
A certificate of public convenience and necessity must be obtained by every utility (with certain exceptions) and pipeline carrier proposing to provide service to the public for compensation. In addition, the Commission must approve all amendments to, or transfers of, certificates as well as acquisitions of controlling interest in certificate holders. The criteria for issuing certificates are prescribed

by law: the service must be required for the public convenience and necessity and the applicant for a certificate must be fit, willing, and able to provide the service. Uncontested certification requests are normally decided at the Commission's monthly public meetings, which are conducted under the state's open meeting laws.

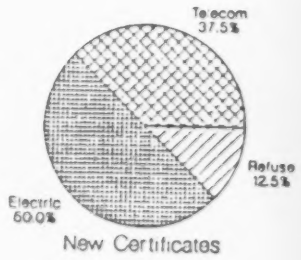
EXHIBIT I
FY89 CERTIFICATION PROCEEDING DOCKETS



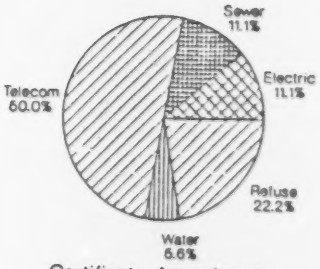
Certificate Transfers



Total Applications



New Certificates



Certificate Amendments

During FY89 the Commission processed 35 applications for certificates, which are depicted by type of service and proceeding in Exhibit I. As Exhibit II shows, the number of certification proceedings before the Commission has decreased, particularly in the area of new certificates. Most of the small electric utilities identified through the PCE program initiated the certification process prior to FY89, but a notable percentage of these applications are still pending approval due to inadequate information or safety considerations.

EXHIBIT II

CERTIFICATION PROCEEDINGS

FY86-FY89

CATEGORY	FY86	FY87	FY88	FY89
New Certificates	36	22	26	9
Amendments	20	10	13	18
Certificate Transfers	3	9	3	9
Acquisitions	3	2	1	0
TOTALS	62	43	43	36
.....				
CATV	8	6	1	1
Electric	24	15	10	7
Garbage (Refuse)	7	11	6	6
Gas	0	0	5	0
Pipeline	0	0	2	1
Sewer (Wastewater)	6	2	4	3
Telecommunications (Including Radio Common Carriers)	9	7	11	14
Water	8	2	4	4
TOTALS	62	43	43	36

Tariff Revisions

Every economically regulated utility and pipeline carrier is required to maintain a tariff which sets out the terms, conditions, rules, and rates governing its provision of service to the public. All changes in a tariff must be approved by the Commission under procedures and timetables which are prescribed by statute and regulation. Tariff filings are considered at tariff action meetings which are held in public twice monthly, generally on the second and fourth Fridays of each month.

Review, analysis, and disposition of tariff filings is a substantial element of the Commission's workload. During FY89 there were 261 tariff filings submitted to the Commission. Of these, 207 tariff revision were processed routinely (generally within 45 days of receipt). The remaining 54 were suspended for further investigation because of the complexity or controversy associated with the filings. The small proportion of tariff filings which have been suspended, relative to the total received, is illustrated on Exhibit III.

EXHIBIT III
TARIFF REVISIONS - ACTIONS TAKEN
FY86 - FY89

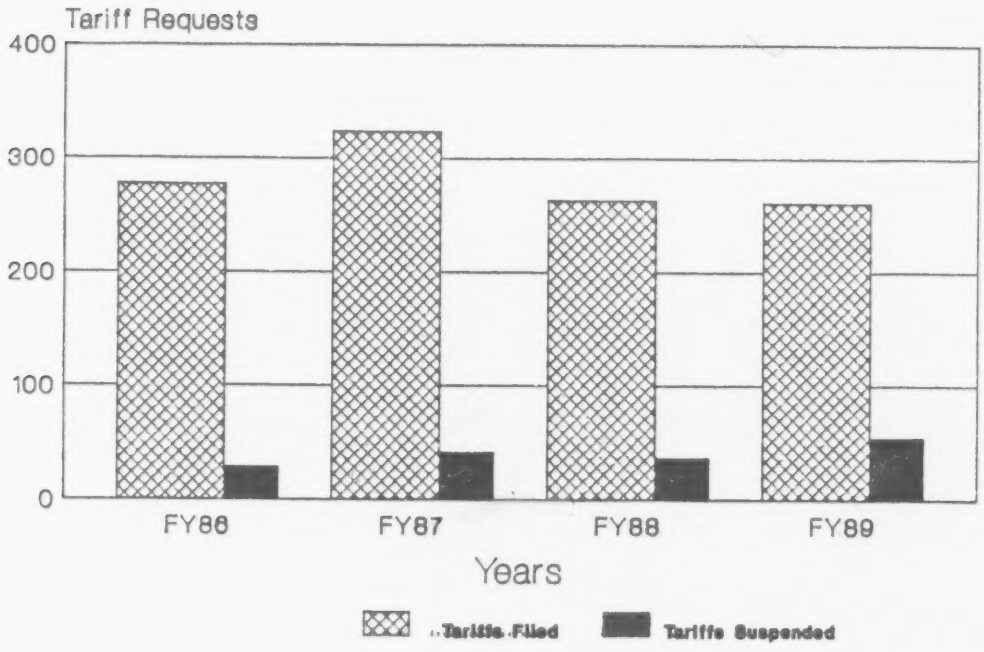


Exhibit IV presents a statistical breakdown of requests for utility and pipeline carrier tariff changes by category. Each request is counted only once regardless of the number of proposed tariff changes it includes.

In FY89 there were 20 general rate increase, one general rate restructuring, and four simplified rate change tariff filings. These tariff revisions were processed as follows: 11 were approved during the initial notice period and 14 were suspended and considered in dockets opened during this reporting period.

EXHIBIT IV

UTILITY AND PIPELINE TARIFF REVISIONS

FY86-FY89

CATEGORY	FY86	FY87	FY88	FY89
General Rate Changes	12	17	14	20
General Rate Restructurings	4	4	2	1
Simplified Rate Filings			3	4
New Service/Equipment Offerings	24	18	11	15
Nonrecurring Rates	1	14	11	10
Contracts	5	8	10	22
Fuel, Gas, and Purchased Power Surcharges; Power Cost Equalization Filings; Nonfirm Power Purchase Rates	170	172	146	130
Rules Changes	19	59	32	21
Miscellaneous	42	31	34	38
TOTALS	277	323	263	261

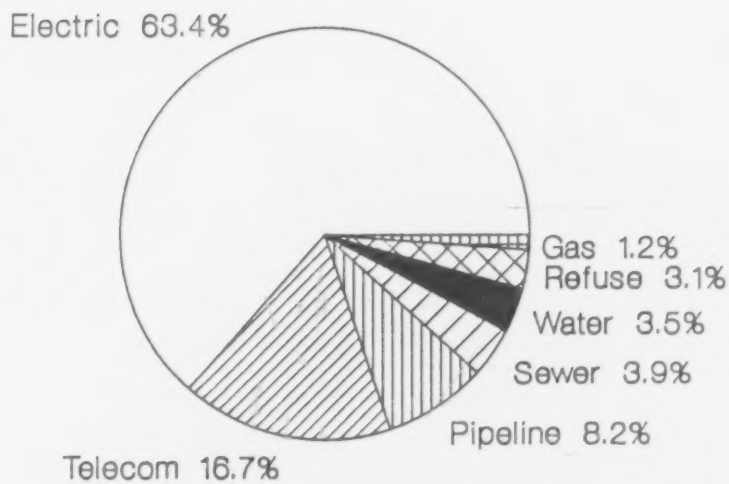
The largest number of tariff filings involves changes in fuel, gas, and purchased power surcharges; PCE levels; and nonfirm power purchase rates. In FY88 a number of utilities began filing quarterly, rather than monthly, filings to the Commission. This practice continued during FY89.

In FY87 and FY88 the Commission received a greater than usual number of filings in the rules changes category. The reduced number of filings received in this category in

FY89 is indicative of the decrease in the number of utilities filing complete revisions of their tariffs in compliance with the Commission's electric service and safety standards.

Exhibit V is a summary of the tariff filings received in FY89 by utility types and pipeline carriers. The Commission's workload continues to show that the preponderance of filings was by electric utilities.

EXHIBIT V
SUMMARY OF FY89 TARIFF FILINGS



Filing by Entity Type

Formal Proceedings (Excluding Certifications)

In addition to the certifications and tariff filings discussed previously, the Commission institutes formal proceedings to consider a number of matters, including rate changes, rule changes, special contracts, complaints against utilities and pipeline carriers, investigations of service quality or management practices, and regulations. Frequently, requests for general rate increases also include or necessitate a restructuring of rates.

EXHIBIT VI

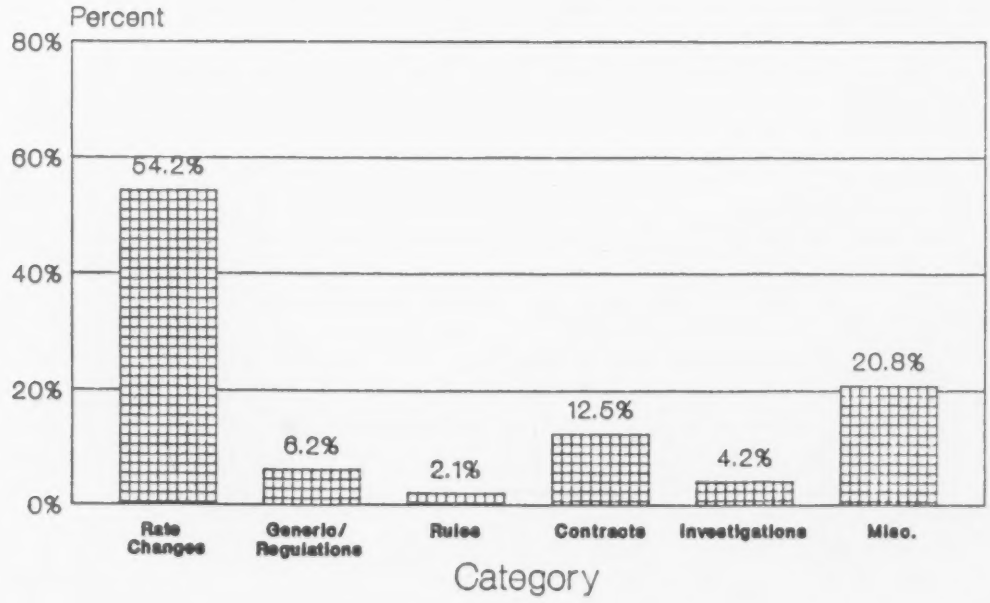
FORMAL PROCEEDINGS
(Excluding Certification Proceedings)

FY86-FY89

CATEGORY	FY86	FY87	FY88	FY89
Rate Changes:				
General Rate Changes	10	7	11	20
Rate Restructurings	6	6	2	1
New Service/Equipment Offerings	1	0	2	3
Rates - Other	8	11	7	2
Generic and Regulation Proceedings	2	6	6	3
Rules Changes	0	4	4	1
Contracts	3	7	4	6
Investigations:				
Complaints	0	0	4	1
Management Practices	0	2	3	1
Miscellaneous	11	14	5	10
TOTALS	41	57	48	48

Rate-related filings continue to be the dominant component of the Commission's formal proceedings, excluding certifications, as shown in Exhibits VI and VII. This statistic is significant because these proceedings tend to have a long-term impact on the Commission workload due to the time and resources required for auditing, investigation, prefiled testimony preparation, public hearings, determination and issuance of a decision, and processing any reconsideration requests.

EXHIBIT VII
COMPOSITION OF FY89 FORMAL PROCEEDINGS
(OTHER THAN CERTIFICATION PROCEEDINGS)



Orders

The orders published by the Commission are its decisions. Substantive orders reflect findings and conclusions based on evidence included in the formal record of the Commission. Procedural orders relate to the process and schedule used for disposing of a case. Exhibit VIII shows the orders issued by category for the last four years.

EXHIBIT VIII

APUC ORDERS ISSUED

FY86-FY89

CATEGORY	FY86	FY87	FY88	FY89
Substantive	168	250	265	151
Procedural	338	174	189	177
TOTALS	506	424	454	328

Open Dockets

All formal proceedings before the Commission are administered through dockets which are numbered to denote the type of proceeding, the year of its initiation, and its numerical sequence in that year. The materials, legal pleadings, and decisions relevant to a case are identified by this number and filed in the docket. After a case is decided and costs allocated, if necessary, the docket is formally closed.

For the statistical analysis of open dockets presented in Exhibit IX, active dockets are those in which substantive decisions were pending at the end of FY89. Inactive dockets are those in which substantive decisions have been rendered, but additional action, either administrative or procedural, was still required at June 30, 1989.

EXHIBIT IX

STATUS OF ALL OPEN DOCKETS

FY86 - FY89

Active Dockets

	Suspended for Investigation	Set for Hearing	Awaiting Filings	Substantive Order in Progress	Other/ Regulations	Total
FY89	32	11	19	36	13	111
FY88	55	10	10	22	18	115
FY87	70	14	8	24	7	123
FY86	78	19	3	27	2	129

Inactive Dockets
(Post Substantive Order)

	Awaiting Filings	Awaiting Cost Allocation/ Closing Order	Subsequent Phase To Be Scheduled	Court Appeals	Other/ Reconsideration	Total
FY89	12	44	15	8	2	81
FY88	7	34	2	10	4	57
FY87	7	37	0	8	2	54
FY86	15	32	2	6	1	56

FY89 Total Open Dockets	192
FY88 Total Open Dockets	172
FY87 Total Open Dockets	177
FY86 Total Open Dockets	185

Exhibit X shows an increase in the number of cases pending at the end of FY89, while the number of dockets opened has decreased slightly. Both the increase in the number of inactive dockets, and the decrease in the number of dockets closed, can be at least partially attributed to the reallocation of employee resources which resulted in the loss of a position in the administrative section of the Commission. The cost allocation process is being more fully automated, and FY90 should show the results of this automation.

EXHIBIT X

CHANGE IN CASELOAD

FY86-FY89

	FY86	FY87	FY88	FY89
Pending Cases Beginning of Year	225	185	177	172
New Dockets Opened	103	100	91	83
Dockets Closed	143	108	96	59
Pending Cases End of Year	185	177	172	192
Percent Change in Pending Caseload	-18%	-4%	-3%	+11.6%
Overall Percent Change FY86 - FY89			+4%	

Complaints

An important public protection and information function of the Commission is its response to complaints and concerns of utility customers and pipeline shippers. The total number of informal complaints processed during FY89 decreased by 18 percent as shown by Exhibit XI. The change is reflected almost totally in the rates and charges category. FY88 appears to have been an anomaly and may have been unusually high due to the state's economy at that time.

EXHIBIT XI

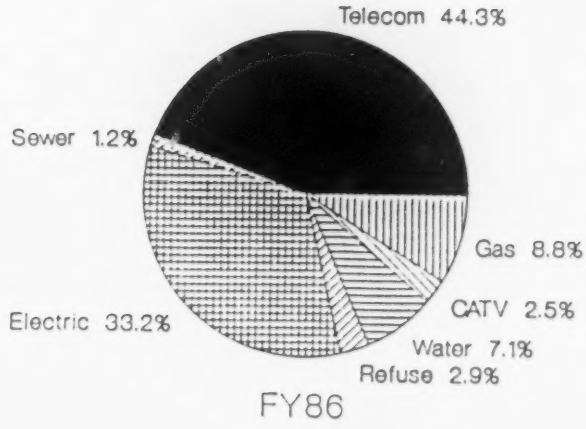
INFORMAL COMPLAINTS BY CATEGORY

FY86-FY89

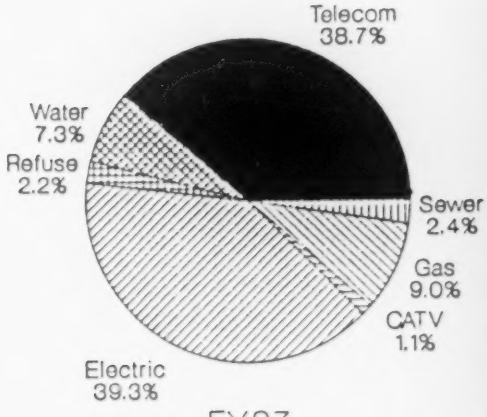
CATEGORY	FY86	FY87	FY88	FY89
Billing Practices	251	236	249	223
Rates and Charges	169	150	52	125
Quality of Service	252	141	122	159
Service Availability and Line Extensions	229	99	103	85
TOTALS	901	626	726	592

As Exhibit XII demonstrates, electric and telephone utilities continue to generate the majority of informal complaints. This is generally expected since these utilities account for the greatest number of customers, the largest plant investment, and the most frequent regulatory activities.

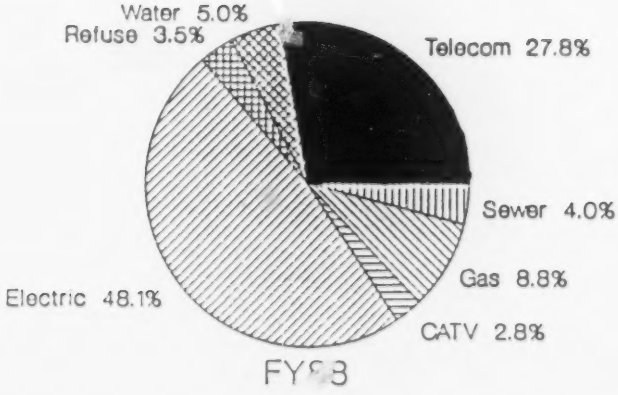
EXHIBIT XII
INFORMAL COMPLAINTS
BY ENTITY TYPE



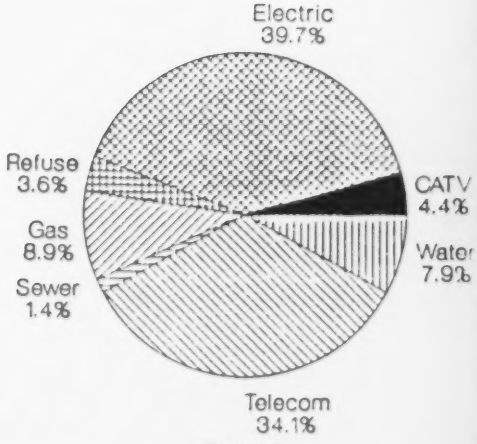
FY86



FY87



FY88



FY89

The number of telephone contacts and personal conferences handled by the Commission's consumer protection section over the past four years is shown on Exhibit XIII.

EXHIBIT XIII

CONSUMER PROTECTION/PUBLIC INFORMATION CONTACT SUMMARY

FY86-FY89

CATEGORY	FY86	FY87	FY88	FY89
Telephone Contacts[1]	6,147	4,563	4,429	4,758
Conferences[2]	195	136	191	109

[1]Includes incoming and outgoing calls.

[2]Includes meetings with consumers, shippers, utility or pipeline carrier personnel, media representatives, and other persons concerned with matters pending before the Commission.

Informal complaint activity by the consumer protection section over the past four years is summarized in Exhibit XIV.

EXHIBIT XIV

INFORMAL COMPLAINT FILE ACTIVITY

FY86-FY89

	FY86	FY87	FY88	FY89
Pending Complaints Beginning of Year	99	106	168	125
New Complaints Received	878	610	726	592
Complaints Resolved	871	548	769	656
Pending Complaints End of Year	106	168	125	61
Percentage Change in Pending Complaints	+7%	+58%	-26%	-51%

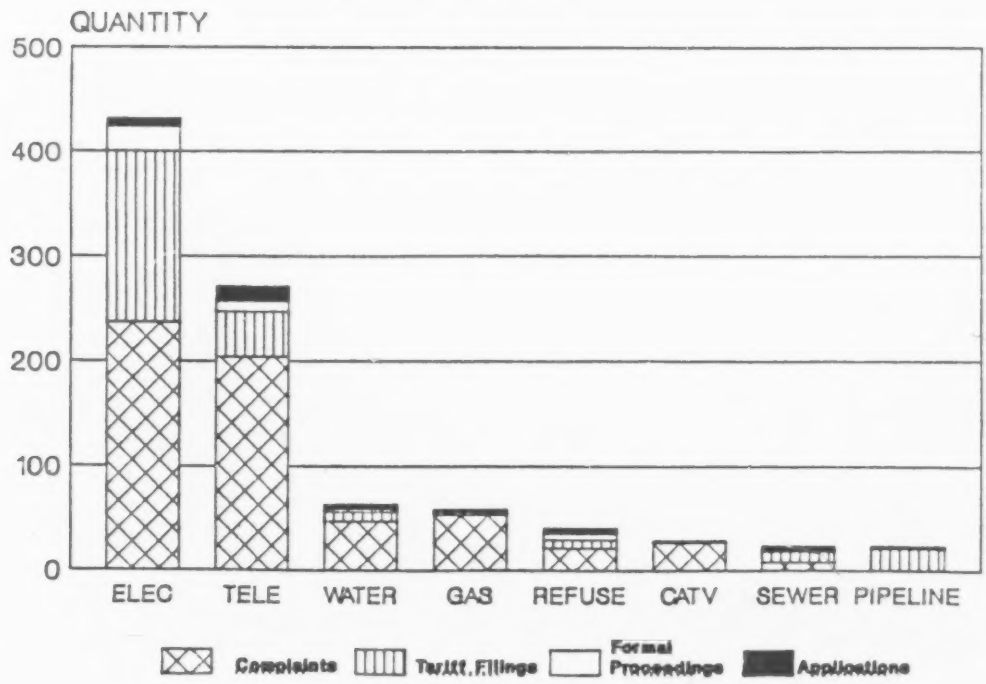
The vast majority of complaints are resolved through the informal complaint process. However, the regulations of the Commission provide procedures for instituting a formal complaint in lieu of an informal complaint or in the event an informal complaint is not satisfactorily resolved. If a formal complaint is accepted by the Commission for adjudication, it is assigned a docket number, and an investigation is instituted into the issues raised in the complaint. In FY89

only one formal complaint was docketed for adjudication by the Commission.

Summary

Exhibit XV summarizes the filings received by the Commission by type of utility and pipeline carrier and by type of filing. This provides a graphic picture of the distribution of the Commission's workload in response to actions

EXHIBIT XV
FY89 SUMMARY OF FILINGS



requested primarily by regulated entities. Reacting to these filings could easily consume the resources of the agency. However, this graph does not include any of the duties and obligations of the Commission that arise due to the actions of the branches or agencies of state, federal, or local governments or due to initiatives of the Commission itself. These activities are equally important to the Commission fulfilling its regulatory responsibilities.

The next section of this report (Significant Events) will provide a narrative description of the most significant actions of the Commission during FY89.

SIGNIFICANT EVENTS

Table of Contents

Page

Telecommunications..... 25

Alascom, Inc. - Rate Redesign..... 25

Alascom, Inc. - Rate Decrease..... 26

Anchorage Telephone Utility - Rate Increase and Investigation..... 27

Anchorage Telephone Utility - Contract with Alaska Railroad..... 29

Regulations - Jurisdictional Separations..... 31

Regulations - Access and Subscriber Line Charges..... 33

Prime Cable - Acquisition of Sonic and Bethel Cablevision..... 34

Energy..... 35

Power Cost Equalization..... 35

Chugach Electric - Rate Increase and Rate Redesign..... 38

Chugach Electric - Simplified Rate Filing Procedures..... 39

Anchorage Municipal Light & Power - Rate Increase and Rate Redesign..... 40

Haines Light & Power - Rate Increase..... 41

Kodiak Electric - Rate Decrease..... 42

Chugach Electric - Tripartite Agreement..... 42

Chugach Electric - Gas Contracts..... 43

SIGNIFICANT EVENTS

Table of Contents (Cont.)

Page

Energy (Cont.)

Homer Electric - Rate Increase and Contract with Tesoro..... 45

Copper Valley - Rate for Excess Hydro..... 47

ENSTAR - Gas Supply Contract..... 48

SGI v. Anchorage Municipal Light & Power 50

Leveraged Leasing Transactions..... 51

Alaska Electric Light & Power Acquisition of Glacier Highway Electric..... 52

Norgasco Certification - Gas Utility at Prudhoe Bay/Deadhorse..... 53

Kodiak Electric - Deregulation Elections..... 54

Other Deregulation Elections..... 56

Electric Service and Safety Tariff Changes..... 56

Garbage, Sewer, Water..... 58

Anchorage Water and Wastewater - Water Rate Increase..... 58

Channel Sanitation - Rate Increase..... 60

Interior Services - Rate Increase..... 61

Far North - Rate Investigation..... 63

Anchorage Water and Wastewater - Sewer Contract with Department of Defense..... 64

Anchorage Water and Wastewater - Management Practices Investigation..... 65

SIGNIFICANT EVENTS

Table of Contents (Cont.)

Page

Garbage, Water, Sewer (Cont.)

Anchorage Water and Wastewater - Payments in Lieu of Assessments..... 66

Refuse Service in the Mat-Su Valley..... 68

Peninsula Sanitation - Request for Exemption from Regulation..... 70

Pipeline..... 72

Endicott Pipeline - Certification..... 72

Quality Bank Tariffs (TAPS) and Tesoro Protest..... 72

Hamel v. TAPS - Investigation Regarding Shipment of Excess Water..... 73

Cook Inlet - Jurisdiction over Rates..... 75

Miscellaneous..... 77

Anchorage Municipal Utility Service Assessments..... 77

Consumer Affairs Conference..... 78

TELECOMMUNICATIONS

Consideration of Proposed Changes in the Rate Design of Alascom, Inc.

Consideration of proposed changes in the rate design of Alascom, Inc. (Alascom), continued to receive the attention of the Commission in FY89. On July 19, 1988, Alascom filed a proposal to institute a directory assistance (DA) charge of $0.60 per call, with an allowance of two free calls per month and exemptions for communicatively handicapped customers. The Commission had previously approved institution of a DA charge by Alascom, but that charge had never been implemented because of a technical inability to distinguish between local DA and intrastate DA calls. However, that problem was resolved, and the Commission determined that it would be appropriate to approve implementation of the DA charge. At the same time, the Commission required Alascom to reduce toll rates in the high mileage bands by an amount equal to the revenue anticipated from the directory assistance charge, $884,346, to avoid exacerbating apparent inequities in Alascom's existing rate design.

Hearings on Alascom's underlying rate design proposal were held in February, 1989. Technical hearings were held in Anchorage, and consumer input hearings were held

over the state teleconference network in order to give consumers all over the state an opportunity to testify. Of particular concern to many consumers was Alascom's proposal to increase rates on calls over short distances and to decrease rates on calls over long distances. Another issue which received attention was Alascom's proposal to implement a flat "subscriber line charge" for each telephone customer, which would have the effect on reducing the per minute rate for toll calls. A decision on the rate design proposal will be issued in FY90.

Request by Alascom, Inc., for a Permanent Rate Decrease

After conclusion of the hearing on its rate design proposal, Alascom, Inc. (Alascom), proposed to reduce its dial station rates by $10,368,000. Alascom proposed that the reduction be applied only to the longer distance mileage bands.

The Commission approved Alascom's proposal on an interim basis. However, the Commission determined that the amount and application of the reduction to the mileage bands would be further reviewed; and that issue is under consideration in conjunction with Alascom's rate design proceeding.

Request of the Municipality of Anchorage d/b/a Anchorage Telephone Utility for a Rate Increase and a Local Directory Assistance Charge and Commission Consideration of the Financial and Management Practices of the Utility

During FY89 the Commission concluded consideration of the rate increase request of the Municipality of Anchorage d/b/a Anchorage Telephone Utility (ATU) after holding hearings that extended over a period of six weeks (November 28, 1988 though January 5, 1989). ATU had originally filed for an increase of 20 percent on January 20, 1988. However, it revised that request to 54.83 percent in March, 1988. Subsequently, ATU requested a local directory assistance charge which would offset, in part, its general rate increase request.

The Commission determined that a per-call charge for directory assistance is appropriate. Without such a charge, the cost of directory assistance is paid by all ratepayers as part of their basic service rates; whereas with a per-call charge the cost is targeted to those who make the greatest use of the service. Furthermore, a per-call charge causes a significant reduction in the volume of such calls and thus a significant reduction in the expense to the utility of providing the service. Accordingly, ATU's request for a directory assistance charge was approved. However, a number of "free calls" was allowed for both residential and business customers, and an intercept service

for customers who had moved within ATU's service area was required for 60 days. Because of issues raised in the proceeding, the Commission also opened a separate docket to determine the most appropriate method of providing and charging for statewide (long distance) directory assistance. Alascom indicated that the present system of providing intrastate directory assistance and local directory assistance to communities other than Anchorage is inadequate in terms of both traffic flow and compensation arrangements.

ATU's rate increase request was addressed by order dated May 1, 1989. The case raised a multitude of issues, many of which might be described as typical rate case issues. However, at least three issues were particularly important. First, the case was based on a 1986 "test year," and ATU had undergone very significant changes since that time, thus raising the question of whether 1986 was sufficiently representative to form the basis for setting prospective rates. The Commission determined that, primarily for practical reasons, the 1986 test year would be allowed but that significant adjustments which would not normally be appropriate would be required.

Second, ATU conducts both regulated and unregulated activities "under one roof." The unregulated activities, which are primarily related to sales of telephones and other "customer premises equipment," use much of the same

personnel, equipment, office space, and other facilities as the regulated activities. Therefore, in order to set rates for the regulated activities it is necessary to allocate costs between regulated and unregulated activities. The allocation process proposed by ATU was extremely complex and judgmental, and for most purposes the Commission rejected its use in favor of a "general allocator" proposed by Staff.

Third, the Commission found that ATU had made imprudent investments in its system plant which were not "used and useful" in providing utility service and which should, therefore, be disallowed in setting rates. The evidence showed that ATU had sized central office facilities for "ultimate capacity" without any consideration of the economic effects of that decision.

The result of the Commission's decision was that ATU was granted a 9.42 percent permanent rate increase. This increase was in addition to the directory assistance charge which ATU had been authorized to implement.

Request of the Municipality of Anchorage d/b/a Anchorage Telephone Utility for Approval of Special Contract with the Alaska Railroad Corporation

In response to complaints filed by Alascom, Inc. (Alascom), and Yukon Telephone Company, Inc., the Commission investigated the construction by the Municipality of Anchorage d/b/a Anchorage Telephone Utility (ATU) of a fiber

optic facility between Potter, Indian, Girdwood, Portage, and Whittier. In late 1986, ATU filed its contract with the Alaska Railroad Corporation (ARC) which permitted its use of the railroad right-of-way for installation of the fiber optic facility. A hearing was held in May, 1988, and the Commission issued its decision resolving the issues on October 12, 1988.

The Commission determined that ATU's provision of service to ARC constituted public utility service and that ATU should have obtained a certificate of public convenience and necessity before providing the service, which was outside of its established service area. However, based on the unusual facts of the case the Commission waived the requirement that ATU should have obtained the certificate, and the Commission approved the special contract between ATU and ARC, with minor modifications.

The Commission also found that the fiber optic facility installed by ATU had an enormous amount of capacity beyond that required by ATU and its contract with ARC. Therefore, pursuant to AS 42.05.321 which empowers the Commission to order joint use of a utility's facilities where such use will further the public convenience and necessity and not result in substantial injury to the owner of the utility or its customers, the Commission required ATU to grant Alascom exclusive and long-term use of a portion of

the facility's capacity, and the Commission required Alascom to pay ATU $914,195 for such use. The Commission also required further negotiations between the parties to resolve maintenance and operational issues.

Consideration of Amendments to Commission Regulations (3 AAC 48.430) Regarding Jurisdictional Separations for Telecommunications Utilities

Telephone utility plant and other operating assets are used jointly to provide local, intrastate toll, and interstate toll services, and this joint use of facilities requires cost separation procedures to allocate the appropriate share of the joint costs to the three types of service. This procedure, called "separations," is governed on the federal level by rules of the Federal Communications Commission (FCC) and on the state level by regulations of the Commission. Several changes recently occurred on the federal level, resulting in the adoption by the FCC of an updated Separations Manual, set forth in Part 36 of its regulations.

The adoption of Part 36 by the FCC, combined with other factors such as the adoption of a revised Uniform System of Accounts (USOA), prompted the Commission to review and amend its own regulation on separations found in 3 AAC 48.430. In order to take advantage of the framework established at the federal level and provide consistency to

the extent practical, the Commission proposed using Part 36 as the basic framework for separations in Alaska. At the same time, the Commission recognized that it was essential to adopt separations procedures which balance cost allocations between local and toll jurisdictions and provide for fair and reasonable rates for both.

The proposal to use Part 36, with modifications, for separations in Alaska was supported in both written comments and testimony at a public hearing. There was also agreement among interested parties that it is appropriate to monitor the effects of the federal and state adoption of Part 36 and the USOA and to further review separations regulations in light of those effects.

Accordingly, by order issued November 9, 1988, the Commission amended 3 AAC 48.430 to adopt Part 36 with certain modifications. The Commission also required all telephone utilities to submit by May 1, 1989, statistical information providing a comparison of 1987 and 1988 minutes of use separated into interstate toll, intrastate toll, and local services and established a schedule for further comments and a public hearing regarding any proposed modifications to the separations procedures which were deemed appropriate after review of the monitoring data.

Consideration of Commission Regulations Proposing Adoption of Intrastate Access Charges and Subscriber Line Charges

During FY89 the Commission continued its consideration of whether to adopt a system of "access charges" by which Alascom, Inc. (Alascom), and any other long distance carriers will compensate local exchange telephone companies for use of their systems to originate and terminate toll calls. In May, 1989, the Commission issued for public review and comment proposed regulations adopting access charges and establishing the specific rules and mechanisms for calculation, implementation, billing, and collection of access charges.

Written comments on the proposed regulations were filed by Alascom, General Communication, Inc., the Alaska Telephone Association, and six individual local exchange companies. Most of those same parties testified on the proposed regulations at a public hearing.

The Commission's decision on whether to adopt access charges and the specific components of the access charge system, including subscriber line charges, will be issued in early FY90.

Application of Prime Cable of Alaska, L.P., To Acquire Sonic Cable Television of Alaska, Inc., and Bethel Cablevision, Inc.

The Commission approved an application by Prime Cable of Alaska, L.P. (Prime), to transfer to Prime the certificates of public convenience and necessity held by Sonic Television of Alaska, Inc., and Bethel Cablevision, Inc. The certificates transferred to Prime include the areas of Anchorage, Eagle River, Kenai/Soldotna, and Bethel.

In approving the transfer, the Commission included many of the same conditions previously placed on cable television certificate-holders, including conditions regarding institutional network channels and public, educational, local government, and religious access. The Commission also addressed concerns regarding the failure of previous certificate-holders to expand the network in Eagle River and the Hillside area of Anchorage, and the Commission required Prime to extend service to all areas that meet or exceed a standard of "35 homes passed per mile."

The Commission initially reserved from transfer to Prime two subdivisions in Eagle River which Eagle River Development Co., Inc. (Eagle), applied to serve, and the Commission scheduled a hearing to determine whether the area should be certificated to Eagle or Prime. However, Eagle subsequently sold its assets to Prime, and the areas were included in the certificate transferred to Prime.

ENERGY

Power Cost Equalization

The number of electric utilities that participate in the Power Cost Equalization (PCE) Program is 103, of which 24 are subject to rate regulation by the Commission and 79 are not. This number has remained relatively constant since 1987. In Section 4 of this report, all participants in the Program have been listed (pp. 115-118) and PCE levels based on differing kilowatt-hour (kWh) consumption have been computed for regulated utilities (pp. 107-112).

Under legislation enacted in 1988, but made retroactive to November, 1987, the Commission may not consider costs or sales associated with a United States Department of Defense facility when computing a utility's PCE rate. This effectively resolved an issue brought to the Commission by Naknek Electric Association, Inc., an unregulated electric utility, which disagreed with the methodology used by the Commission's staff to determine the utility's PCE rate. This legislation affects the PCE computation for all utilities serving defense facilities.

The Fifteenth Legislature of the State of Alaska required the Commission, the Alaska Energy Authority

(AEA),[1] and the Department of Community and Regional Affairs to:

> . . . review and evaluate possible modifications to the [PCE] Program and report to the Legislature. Specific consideration should be given to the establishment of guidelines or standards for participation in the program including fuel efficiency and administrative expenses. Specific consideration should also be given to the restructuring of PCE payments in order to provide incentives to make efficiency improvements.

This requirement provided the Commission an opportunity to examine four years of experience with the PCE program and to determine whether, in addition to the considerations directed by the Legislature, there were other concerns and issues that needed Commission action. As a result, the Commission determined that it was appropriate to set forth in regulations the policies and procedures that had been developed to implement the program.

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[1]Formerly, the Alaska Power Authority (APA).

Therefore, in October, 1988, the Commission issued proposed regulations, established periods for submission of public comments, and scheduled a public hearing. The regulations included proposed generation efficiency and line loss standards, administrative expense standards, and codification of the policies and procedures which had been developed to implement the program over its four-year history. The AEA also developed regulations on those aspects of the PCE program within its jurisdiction. Therefore, the AEA and the Commission held joint public hearings on their regulations in Anchorage on November 14-15, 1988, with Barrow, Bethel, Fairbanks, Juneau, Ketchikan, Kodiak, Kotzebue, and Nome included via teleconference.

Many of the public comments focused on the standards for generation efficiency/line loss and administrative expenses. As a result of the comments, the standards for administrative expenses was deleted and the generation efficiency and line loss standards were modified. More importantly, the time frame for implementation of the generation efficiency and line loss standards was delayed from January 1, 1989, to October 1, 1990. The intent of the delay was to allow the Legislature sufficient time to determine if it agrees with the Commission's decisions and to allow utilities sufficient time to implement whatever system improvements are necessary and appropriate in order to meet

the efficiency standards. It is anticipated that loan funds will be available to those utility systems which require additional capital investments in order to comply with the standards.

Request of Chugach Electric Association, Inc., To Increase and Redesign Rates

On August 19, 1988, the Commission issued its decision on the request by Chugach Electric Association, Inc. (Chugach), to increase rates by 5.2 percent. As was reported in last year's Annual Report, hearings had been held April 4-19, 1988, and the request had been opposed by Matanuska Electric Association, Inc.; Homer Electric Association, Inc.; and the Alaska Consumer Advocacy Program. Issues resolved by the Commission included the allocation of interest coverage requirements between generation/transmission plant and distribution plant and the allocation of reserve capacity to "all requirements" and "contract" customers; the appropriate ratemaking treatment of expenses related to the strike of Chugach by its union employees; and adjustments related to employee reductions associated with lower economic activity levels.

The Commission's decision resulted in a permanent rate increase for Chugach which was less than the interim, refundable rate, thus requiring a refund of a portion of the

money collected as interim, refundable rates. The additional fact that the permanent rate increase granted to Chugach was applied in differing percentages to different customer classes created an issue of how the refund should be distributed among customer classes. The Commission determined that the customer classes which received the lowest permanent rate increase, and which had therefore paid the highest interim rate relative to the permanent rate, should receive the largest refund. Chugach implemented the refunds, with Commission approval, primarily through bill reductions during July and August, 1989.

Request by Chugach Electric Association, Inc., To Use Simplified Rate Filing Procedures

Chugach Electric Association, Inc. (Chugach), requested and was granted approval in March, 1989, to revise its rates under the Simplified Rate Filing Procedures for Electric Cooperatives (3 AAC 48.700 -- 3 AAC 48.790). Under that mechanism, Chugach was granted an initial increase of 2.74 percent to its wholesale customers and 2.23 percent to its retail customers. Approval of Chugach's request was complicated by the utility's dual role as a retailer and wholesaler of electric power and delayed by the fact that the filings submitted by Chugach included numerous deficiencies. The rate increase was approved only after correction of all errors, and Chugach was placed on notice that its

authority to use the simplified procedure would be revoked if the future quarterly filings required by the procedure were not complete and accurate.

Request of the Municipality of Anchorage d/b/a Municipal Light and Power Department To Increase and Redesign Its Rates

During FY89 the Commission concluded consideration of a request filed in FY88 by the Municipality of Anchorage d/b/a Municipal Light and Power Department (ML&P) for an increase in rates. The Commission granted ML&P an increase of 9.68 percent, compared to the 11.6 percent requested by ML&P.

The primary issue presented to the Commission was what methodology should be used to establish rates for ML&P, and the Commission determined that the same rate-base/rate-of-return methodology used for other utilities should also be applied to ML&P. The Commission granted ML&P a return on equity of 13 percent. Other issues resolved by the Commission included allowing only 50 percent of ML&P's dues to the Electric Power Research Institute; establishing allowable regulatory expenses and amortization of nonrecurring expenses; and disallowing an adjustment for load decreases. The Commission also required ML&P to develop and file with the Commission an Equity Management Plan which would provide a guide for policy decisions in the ratemaking process. In

May, 1989, a public hearing was held on ML&P's request to redesign its rates. The decision is currently pending.

Request of Haines Light and Power Company To Increase Its Rates

On December 7, 1988, Haines Light and Power Company (HL&P) requested interim and permanent rate increases of 12.63 percent and 16.32 percent, respectively. The Commission granted HL&P an interim increase of 10 percent and scheduled a public hearing in the case to convene July 10, 1989.

The primary issue raised in this case concerned the treatment of the cost to HL&P of a settlement with a customer that had been overbilled by the utility for a period of several years. The settlement amounted to $444,371; and HL&P sought to recover that amount from ratepayers over a period of 10 years. Other issues included the cost of power purchased by HL&P from an independent power producer and the appropriate period for recovery of the cost of engine overhauls.

The Commission approved a stipulation between HL&P and Staff and granted HL&P a 8.69 percent rate increase. The increase which was granted did not include recovery by HL&P of the cost of the settlement with the customer which had been overbilled. HL&P was also required to refund the

difference between the 10.0 percent interim rate increase and the stipulated 8.69 percent increase.

Request of Kodiak Electric Association, Inc., To Reduce Its Rates

On August 31, 1988, Kodiak Electric Association, Inc. (KEA), requested a 7 percent across the board decrease to its rates. After initial review, the Commission ordered a rate reduction of 7.31 percent and opened an investigation into the reasonableness of the rates of KEA.

After completing its investigation of the rates of KEA, the Commission Staff recommended an 8.49 percent across-the-board rate decrease. KEA disagreed with, but did not challenge, that recommendation. On April 5, 1989, the Commission ordered an 8.49 percent across-the-board reduction in KEA's rates.

Contract Between Chugach Electric Association, Inc.; Matanuska Electric Association, Inc.; and Alaska Electric Generation & Transmission Cooperative, Inc.

A hearing was held during FY88 on the request of Chugach Electric Association, Inc. (Chugach); Matanuska Electric Association, Inc. (MEA); and Alaska Electric Generation and Transmission Cooperative, Inc. (AEG&T), for approval of an agreement for the sale and purchase of electric power and energy. In an Order dated August 19, 1988, the Commission approved, with certain amendments, the

"tripartite contract," which is a long-term contract that defines the energy supply relationship between Chugach and MEA and resolves issues which had been pending for several years. The contract also recognizes AEG&T as the "conduit" through which Chugach supplies power to MEA, and the contract provides MEA with options to provide its own generation resources, though AEG&T, in the future.

In approving the contract the Commission rejected, for the most part, the claim of a "qualifying facility" (QF) that the contract violated the provisions of the Public Utility Regulatory Policies Act of 1978 by requiring MEA to purchase power from Chugach rather than a QF. The Commission did require some modifications of the contractual language, in keeping with the stated intentions of the parties.

Request of Chugach Electric Association, Inc., for Approval of Contracts with Marathon Oil Company and Golden Valley Electric Association, Inc.

In the fall of 1988, Chugach Electric Association, Inc. (Chugach), filed and requested approval of two related contracts, a gas supply contract with Marathon Oil Company (Marathon) and a nonfirm energy contract with Golden Valley Electric Association, Inc. (GVEA). The Marathon contract is a long-term gas supply contract that would replace ENSTAR Natural Gas Company (ENSTAR) as Chugach's supplier of gas at

the Bernice Lake generating plant (and possibly the International generating plant) and, eventually, provide 40 percent of Chugach's gas needs at its Beluga generating station. The Marathon contract also provided a supply of gas for the production of economy energy to be sold to GVEA pursuant to the related contract. Under that 20-year contract GVEA agreed to purchase and Chugach agreed to supply all of GVEA's demand for economy energy purchases (with limited exceptions).

Pursuant to Chugach's request, the Commission allowed the contracts to go into effect on an interim basis on April 1, 1989, but denied earlier approval on an interim basis. The Commission did allow Chugach to implement short-term peaking gas contracts which provided many of the same benefits, in the short term, as interim approval of the Marathon and GVEA contract.

The Commission also approved on an interim basis, effective April 1, 1989, a contract between ENSTAR and Marathon for the delivery by ENSTAR of Marathon gas to Chugach. That contract was necessary in order for Chugach to make purchases under its contract with Marathon. Consideration of the ENSTAR/Marathon contract was consolidated with the proceedings on Chugach's contracts with Marathon and GVEA.

A final hearing on Chugach's request for approval of the contracts was held in May, 1989. The primary issue

at the hearing concerned the fact that approval of the contracts would result in Chugach discontinuing all purchases from ENSTAR at the Bernice Lake facility, causing ENSTAR to lose revenues and shifting costs to other ENSTAR ratepayers. In an earlier proceeding the Commission had determined that Chugach was responsible for certain costs of the ENSTAR system and that Chugach should not be permitted to transfer an undue share of such costs to ENSTAR and its other ratepayers, absent a showing that such a transfer was in the public interest.

In an Order dated July 19, 1989, the Commission determined that Chugach's contracts with Marathon and ENSTAR were in the public interest and should be approved, and the Commission also finalized its approval of the ENSTAR/ Marathon transportation agreement. The Commission further determined that allowing Chugach to discontinue purchases from ENSTAR at the Bernice Lake facility did not transfer an undue share of costs to ENSTAR and its ratepayers; and, therefore, the Commission did not require Chugach to compensate ENSTAR for such costs.

Request of Homer Electric Association, Inc., for Approval of Contract Amendment with Tesoro Alaska Petroleum Company and for Permanent Rate Increase

A contract amendment between Homer Electric Association, Inc. (HEA), and Tesoro Alaska Petroleum Company

(Tesoro) presented the Commission with the difficult question of whether, and under what conditions, a utility should be permitted to offer reduced rates to a customer who threatens to leave the utility system, as well as how the resulting revenue shortfall should be handled.

HEA negotiated a contract with Tesoro which reduces rates to Tesoro in exchange for Tesoro's agreement to purchase specified quantities of electricity until at least April 1, 1994. A reduction to Tesoro was necessary because of Tesoro's ability to cogenerate steam and electricity at a cost less than HEA's full rate to Tesoro. HEA stated that a 4.67 percent increase to other customers which would result from the reduced rate to Tesoro was preferable to the increase of 10.3 percent which would result if Tesoro ceased all purchases.

In its decision the Commission recognized that there are instances in which it is appropriate to establish reduced rates in order to discourage the "bypass" of a public utility system. The Commission also determined that in no instance should rates be allowed which are lower than the utility's variable costs and which do not make some contribution toward the utility's fixed costs. In accordance with these principles, the Commission found that Tesoro presented a real and significant threat to bypass and that a reduced rate would be appropriate. However, the Commission

also determined that the contract between HEA and Tesoro presented a risk that the rate would not cover all variable costs and make some contribution to fixed costs. Accordingly, the Commission required a modification to the contract to require that the price would never be less than HEA's variable costs plus a contribution toward fixed costs of 1.0 cent per kilowatt-hour.

The Commission denied HEA's request for an immediate rate increase to cover the effects of the reduced rate to Tesoro but allowed HEA to file a complete rate case to demonstrate its need for an increase. The immediate increase was denied for two primary reasons. First, the decrease in revenues from Tesoro was but one of many changes which had affected HEA, some of which reduced its costs, and all of the changes required a complete review of HEA's need for an increase. Second, the Commission found that utility management would have a greater incentive to negotiate the best possible deal with customers such as Tesoro if revenue losses could not be immediately recovered from other customers.

Request of Copper Valley Electric Association, Inc., To Continue Its Experimental Rate for Excess Hydroelectric Energy

Copper Valley Electric Association, Inc. (CVEA), requested authority to continue for five additional years

the experimental rate under which it sells "excess" hydroelectric energy at a reduced rate. "Excess" hydroelectric energy is generated with excess water which would otherwise spill from a hydroelectric facility without being used to produce electricity.

The Commission granted CVEA approval to continue the rate for the period of June 1, 1989 through September 30, 1989, and required CVEA to request approval of further continuations of the rate. The Commission also limited the rate to those areas of CVEA's service area where excess hydroelectric energy can actually be delivered. This restriction resulted from the fact that the transmission intertie between Valdez and Glennallen had been damaged and was not available to deliver electricity produced from hydroelectric projects to all areas of CVEA's service area.

Request of ENSTAR Natural Gas Company for Approval of Gas Supply Contract

The Commission considered and partially approved the request of ENSTAR Natural Gas Company (ENSTAR) for approval of a new gas supply contract (APL-4) with Marathon Oil Company (Marathon) and for approval of an exchange agreement with Union Oil Company of California (Union). A public hearing on the request was held January 9, 1989 through January 12, 1989. Chugach Electric Association, Inc.; the Municipality of Anchorage d/b/a Municipal Light

and Power Department; Marathon; and Shell Western E&P, Inc., intervened in the proceeding and participated in the public hearing.

The Commission determined that ENSTAR's initial commitment to purchase 456 billion cubic feet (Bcf) of gas from Marathon was in the public interest and should be approved. The Commission found that the commitment extends the reserve life of ENSTAR's gas supplies until approximately 2001, without any "take-or-pay" obligation. The contracts also provide a virtual guarantee of sufficient gas to meet peek demand on cold winter days. The Commission also found that the lack of a take-or-pay obligation would limit the risk to ratepayers and provide opportunities for customers to seek cheaper supplies of gas, including gas from independent producers. The contracts also settled ENSTAR's litigation against Marathon and Union regarding the pricing of gas under existing contracts, removing a total potential liability to ENSTAR of $190 million.

However, the Commission did not approve the terms under which 400 Bcf of gas "additional commitment" might be available to ENSTAR from Marathon. The Commission allowed ENSTAR to implement the contract without such approval, but placed the risk on ENSTAR and its management that the price paid for the additional commitment may be unreasonable.

Complaint of SGI International, Inc., Against the Municipality of Anchorage d/b/a Municipal Light and Power Department

The complaint filed in FY87 by SGI International, Inc. (SGI), a qualifying facility under the Public Utility Regulatory Policies Act, against the Municipality of Anchorage d/b/a Municipal Light and Power Department (ML&P), was resolved by order dated November 1, 1988. The primary issue in that case had been the alleged conflict between ML&P's obligation to purchase power from SGI and its intention to purchase power from the Bradley Lake Hydroelectric Project. The Commission had initially required ML&P to file any contract for purchase of Bradley Lake power with the Commission for approval, but the Legislature subsequently removed the authority of the Commission to review and approve that contract. The issue then became what effect, if any, ML&P's purchase of power from the Bradley Lake project had on the computation of the avoided cost at which ML&P must purchase power from SGI.

The Commission determined that, for the purpose of determining ML&P's avoided cost, its purchases of Bradley Lake power must be considered an "in place" resource which could not be avoided by purchases from SGI. That determination resulted in a lower avoided cost at which ML&P would have to purchase power from SGI.

After consideration of a further filing by SGI indicating that planning for its project had been delayed, the Commission dismissed the complaint of SGI. The dismissal was without prejudice to refiling by SGI at such time as it is ready to proceed with its project.

Exempting Owner-Lessor in Leveraged Leasing Transaction from Regulation

In prior years the Commission resolved numerous complicated issues regarding the certification of Alaska Electric Generation and Transmission Cooperative, Inc., a utility whose function is to generate and transmit electricity for retail sale by other utilities. The final issue presented to the Commission in that case was whether or not an owner-lessor in a leveraged lease transaction is or should be subject to certification and economic regulation under AS 42.05.

A leveraged lease is a transaction, structured to take advantage of tax laws, in which one entity purchases a facility (such as a generating plant) but leases the facility to a utility that assumes complete control over operation and maintenance of the facility. In many cases a leveraged lease can reduce costs to the lessee-utility and its ratepayers. However, in most instances the owner-lessor is not otherwise engaged in public utility operations and would

not participate in the transaction if, by so doing, it became subject to regulation.

Accordingly, the Commission determined pursuant to AS 42.05.711(d) that the public interest is not benefited by regulation of owner-lessors as public utilities, and the Commission exempted owner-lessors from the application of AS 42.05 subject to certain conditions.

Transfer of Certificate of Public Convenience and Necessity from Glacier Highway Electric Association, Inc., to Alaska Electric Light and Power Company

Years of consultations, discussion, and negotiations culminated in FY89 when Glacier Highway Electric Association, Inc. (GHEA), and Alaska Electric Light and Power Company (AEL&P) filed, and the Commission approved, an application to transfer the service area of GHEA to AEL&P. The transfer, which resulted in AEL&P becoming the electric utility for the entire Juneau area, was supported by local business, labor, and governmental leaders and by a majority of the consumers of both utilities.

The Commission found that the public benefits which resulted from the merger of the GHEA and AEL&P service areas included an immediate decrease in rates to GHEA customers of approximately 50 percent; uniform energy planning for the Juneau area as a whole; and possible state purchase

of the hydroelectric resources serving the area from the federal government.

Certification of Norgasco, Inc., To Operate as a Natural Gas Public Utility in Prudhoe Bay/Deadhorse

A contested proceeding between Norgasco, Inc. (Norgasco), and Polestar Energy, Inc. (Polestar), for a certificate of public convenience and necessity to operate as a natural gas utility in and around Prudhoe Bay/Deadhorse was resolved in early 1989. Arctic Utilities, Inc. (AUI), a certificated electric utility in that area, intervened in the proceeding to argue that certification of a natural gas operation in that location would result in undesirable duplication of AUI's facilities. The Commission found no merit in this argument.

Norgasco was selected as the more fit and able to provide the service, although the certificate was conditioned on more detailed financing commitments and the acquisition of a more favorable gas supply source. Polestar appealed the Commission's decision in Superior Court.

Subsequently, Polestar and AUI also filed petitions with the Commission to revoke Norgasco's certificate. Petitioners alleged noncompliance with certain financial and gas supply conditions which the Commission attached to the certificate. AUI further alleged that Norgasco violated

certain environmental and land use permits within its service area. After review of the record, the Commission found that AUI and Polestar had failed to demonstrate that Norgasco's certificate should be revoked. Further, the Commission has concluded that Norgasco has met the conditions attached to its certificate.

Deregulation Elections of Kodiak Electric Association, Inc.

As a result of a petition filed by two consumers, the Commission invalidated a deregulation election held by Kodiak Electric Association, Inc. (KEA). KEA had begun the election process with a notice to its members dated December 2, 1988, informing them that a public meeting concerning the election would be held January 12, 1989, and that ballots would be mailed to members on February 2, 1989. On March 6, 1989, James L. Fisk and Shirley A. Fisk filed a request that the Commission invalidate the election because Kodiak had failed to provide Fisk with a list of the members of the utility, as required by AS 42.05.712(f). KEA admitted that it had denied a request by Fisk for the list, but KEA argued that Fisk had asked for the list four days after the time period during which the utility was obligated to furnish the list.

Resolution of the issues presented by Fisk required the Commission to interpret the provisions of

AS 42.05.712 regarding the time periods during which certain actions must be taken and certain rights exist, and the Commission agreed with both Fisk and KEA that the various time lines set forth throughout the deregulation statute are ambiguous and arguably subject to more than one interpretation. The Commission determined that one of the purposes of the statutory scheme was to provide an opportunity for meaningful public debate concerning the deregulation election and that the statutory 60-day time period during which a consumer has the right to the cooperative's membership list should be interpreted in such a way as to promote that debate. The Commission found that more meaningful public debate would be fostered if the 60-day period during which the member has a right to the membership list is measured from the date ballots must be postmarked or returned to the Commission and not from the date ballots are mailed to the members. The relevant period thus begins somewhat before the public meeting required by statute and extends throughout the entire period of voting.

Thus, the Commission found that KEA had denied Fisk the statutory right to the membership list. The Commission further found that the denial prevented Fisk from responding to a brochure mailed by KEA to members which was inaccurate in several very significant respects. For these reasons the election was invalidated.

KEA appealed the Commission's decision to the Superior Court. However, KEA also began and conducted a new deregulation election. In that election KEA's subscribers voted against deregulation by a margin of 677 opposed to 550 in favor. The procedures employed in that election were approved, and the results certified by the Commission. In view of the outcome of the second election, KEA is continuing its appeal of the invalidation of its initial election.

Other Deregulation Elections

In FY89 deregulation elections were also conducted by Levelock Electric Cooperative, Inc. (LECI), and I-N-N Electric Cooperative, Inc. (I-N-N). LECI provides electric utility service in the community of Levelock, and I-N-N provides similar service in Iliamna, Newhalen, and Nondalton. The majority of subscribers of each utility voted to become deregulated. Thus, the two utilities are exempt from the Commission's jurisdiction regarding rates and charges, quality of service, management practices, and customer complaints.

Electric Service and Safety Standard Considerations

The Commission continued to work toward its objective that the tariffs of all regulated electric utilities reflect the service and safety standards adopted in 1987.

In FY89 major steps were taken towards that goal with approval of a tariff for Alaska Electric Light and Power Company (AEL&P). That filing was important for several reasons: AEL&P worked closely with the Commission to develop a tariff that was thorough and which could be used as a model by other electric utilities. Since its tariff was approved, AEL&P has assisted other smaller utilities in development of their own tariffs.

Among other electric service and safety considerations effected during FY89, the Commission considered the tariff revision of Homer Electric Association, Inc. (HEA), and approved it on a temporary basis. While HEA submitted its tariff revision to comply with the electric service and safety standards, it also submitted a rewrite of its entire service provisions. Review of HEA's tariff is substantially completed except for the line extension provisions in which HEA is proposing to implement new policies not previously seen in Alaska.

REFUSE, SEWER, AND WATER

Requests of the Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility To Increase Its Water Utility Rates and Deregulation Actions of the Municipality

In its FY88 Annual Report, the Commission discussed the history of the lengthy proceeding in Docket U-87-14 regarding the rates of the Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility (AWWU) for its water operations, which was characterized by successive rate increase requests by the utility. On October 6, 1988, the Commission accepted the stipulation between AWWU and Commission Staff, making the existing 16.70 percent interim increase effective on a permanent basis and determining that no refund would be required. The Commission also agreed with AWWU and Staff that rate base/rate of return methodology should be the primary basis for setting rates for AWWU.

Consideration of another request for rate increases by AWWU for its water utility began in mid-FY89. On January 18, 1989, AWWU requested an interim rate increase of 28 percent, an initial permanent increase of 39.05 percent, and a second permanent increase of 4.37 percent to be effective January 1, 1990.

On March 20, 1989, the Commission granted AWWU's request for an interim, refundable rate increase of 28 percent. The Commission suspended permanent operation of the

tariff request and scheduled public hearings to convene in early FY90.

Consideration by the Commission of AWWU's rate request was suspended after the Anchorage Municipal Assembly passed an ordinance on August 5, 1989, that declared AWWU, as well as the other utilities owned by the Municipality, exempt from Commission regulation under AS 42.05.711(b). That statute provides that a utility owned and operated by a municipality is exempt from regulation by the Commission (with certain exceptions) unless the municipality elects to be regulated or unless a utility owned by the municipality directly competes with another utility. The Anchorage municipal utilities had been regulated both on competition which had existed and, as in the case of the sewer utility, on an election to be regulated. However, the August 5, 1989, ordinance declared that no municipal utility was in direct competition with another utility and that the election to subject the sewer utility to regulation was rescinded.

The Commission's rate and tariff regulation of all the utilities owned by the Municipality of Anchorage is affected by the August 5, 1989, ordinance, and further action on all such matters was suspended after the passage of the ordinance. However, in early FY90 Alascom, Inc., Comtec, Ltd., and Cellular Alaska Partnership filed challenges to

the legality of the ordinance. These challenges allege that direct competition exists between Municipal utilities and other utilities and that, therefore, the Municipal utilities remain subject to full regulation by the Commission. This matter will be addressed further in FY90.

Request of Channel Sanitation Corporation To Increase Its Rates and Institute a New Service for Collection and Disposal of Medical Waste

Two filings by Channel Sanitation Corporation (Channel) received initial attention during FY89. The first filing was Channel's proposal to institute a new service for the collection and disposal of medical waste. This service is intended to meet new concerns regarding health and safety in the disposal of medical waste and to establish rates and handling procedures specifically applicable to medical waste. The filing was approved by the Commission on an interim basis, and Channel was required to address certain issues such as the development of incentives to discourage illegal dumping.

The second filing was Channel's request for a 20 percent interim and 33.15 percent permanent rate increase. After the initial review, the Commission denied Channel's interim rate increase request based on Channel's failure to meet its burden of proof, particularly regarding its affiliated interest transactions with Channel Landfill.

Subsequent to the initial determination, Channel filed a petition for reconsideration in which it agreed that certain financial information regarding Channel Landfill could be used to evaluate its rate request. Channel also submitted evidence that, without rate relief, it would have to shut down its incinerator and return to burial of refuse, which method of disposal was opposed by the Alaska Department of Environmental Conservation.

Based on Channel's petition and the exigent circumstances, the Commission reconsidered its initial determination and granted Channel an interim, refundable rate increase of 18.5 percent. A hearing will be held in Juneau in FY90 to consider what permanent increase should be granted. Channel was placed on notice that it must justify fully, in accordance with AS 42.05.511(c), its affiliated interest transactions.

Request of Ralph E. Bartlett d/b/a Interior Services for Interim and Permanent Rate Increases

As discussed in the FY88 Annual Report, the Commission commenced an investigation into the reasonableness of rates charged by Ralph E. Bartlett d/b/a Interior Services (Interior) as a result of complaints filed by both Commission Staff and the Fairbanks North Star Borough (FNSB). Also under consideration was the proposal Interior

subsequently filed for a permanent rate increase of 79.54 percent.

Hearings in this matter were held in November, 1988. The most significant issue was whether the books, records, and financial information furnished by Interior were sufficiently reliable and in accord with standard accounting practices for regulated public utilities to serve as a basis for setting rates. This problem arose because Interior's records had never been kept according to standard accounting practices, family members had not always been paid for labor, and many transactions were on a cash basis without adequate documentation. The Commission determined that the information was minimally acceptable but that a strict standard should be applied to all questionable expenditures.

Another significant issue concerned real property owned by Interior, which in many cases had been substantially improved with the addition of fill materials, and used for the placement of large dumpsters to provide service to area residents. The FNSB argued that dumpster sites should be leased, not owned, by Interior, and the actual cost of fill material was not substantiated. The general argument that all the real property should be eliminated from rate base was rejected; a portion of the property was allowed in rates.

These decisions of the Commission resulted in a rate increase of 34.14 percent for Interior and a determination that the utility's rates in the past were not excessive.

Investigation into the Reasonableness of the Rates of Far North Sanitation, Inc.

As discussed in the FY88 Annual Report, an investigation into the rates of Far North Sanitation, Inc. (Far North), resulted in an order directing Far North tc reduce its rates by approximately 23 percent and make refunds to customers. Far North subsequently filed a plan to accomplish the refund by making rate reductions to all current customers, without regard to whether, or for how long, the customer had received service during the period that rates were too high. Far North planned to make no refunds to persons who had been customers during the period that rates had been too high but who subsequently had discontinued service.

The Commission rejected Far North's refund plan and required Far North to calculate the actual overpayments by customers who had received service during the period rates were too high and to accomplish refunds through rate reductions to continuing customers and payments to former customers. Far North appealed in Superior Court the refund order as to customers within the City of Fairbanks, but the

refund is proceeding for customers outside the City of Fairbanks.

Consideration of the Contract Between the Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility (Sewer Division) and the Department of Defense

During FY88 the Commission addressed a dispute which had been outstanding for a number of years between the Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility's (AWWU) sewer division and its military customers by accepting AWWU's argument that the doctrine of Federal Supremacy does not prevent the Commission from setting the rates for AWWU's service to military customers. The Commission asserted jurisdiction over the rates charged by AWWU to military customers and required AWWU to take appropriate action to recover those rates. The Commission subsequently granted AWWU a stay from the requirements of the order while negotiations were conducted with the military customers.

In January, 1989, AWWU filed special contracts which had been negotiated with the military customers. The Commission determined, however, that the contracts should be rejected because they did not meet the requirements of the Commission's prior order. Neither contract produced the same revenue to the utility as AWWU's tariffed rate approved by the Commission; also neither contract recognized that the

rates included in the contract are subject to the continuing jurisdiction of the Commission. Thus, the contracts perpetuated the problem which had been before the Commission since 1980; namely, a revenue shortfall from the military customers which must be paid by other customers or must leave the utility with revenues less than its revenue requirement. AWWU appealed the Commission's order rejecting the contracts.

Investigation into the Management Practices of the Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility (Sewer Division)

As discussed in its FY88 Annual Report, the Commission found serious deficiencies in the management practices of the sewer operations of the Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility (AWWU) and consequently ordered Commission Staff to conduct a management audit of the utility. The scope of the audit was directed to five areas of concern: project management, management accounting and control, cash management, data processing and planning, and ratemaking and regulatory practices.

Following the completion of the management audit and subsequent hearing, the Commission concluded that the utility lacked adequate management control in these five areas. The Commission attributed the deficiencies to

several causes, including the turnover rate in upper and middle management, an excessive reliance on consultants, a lack of organizational cohesiveness and clear lines of accountability within the organization, and the nonexistence of written policies and practices. Regarding the latter deficiency, AWWU acknowledged that the management audit itself served as a very useful document in implementing the management transition that occurred in January, 1988. The utility agreed to implement the 81 recommendations of the management audit and submitted a strategic plan containing schedules for implementation.

Complaint Against Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility Regarding Payments in Lieu of Assessments

In FY88 the Commission issued a substantive decision regarding the formal complaint by Ronald Feiger, *et al.*, against the Anchorage water and sewer utilities. Feiger's complaint attacked the utilities' practice of charging payments in lieu of assessments (PILAs) to lot and home owners seeking to connect to utility facilities initially installed to benefit others, who may also have paid all or part of the cost of that initial extension and were reimbursed through the PILAs. Contrary to a series of contentions that such charges were improper special assessment levies, the Commission determined that PILA charges in the

utilities' tariffs were valid. Nonetheless, based on a number of other considerations, the Commission concluded that utility-financed PILAs were unnecessary and that pioneer (customer or developer) PILAs were unreasonable beyond three years of completion of an extension.

Following the Commission's decision, the utilities and complainants each filed a petition for reconsideration. Complainants requested that they be awarded interest on refunded PILA payments at the statutory rate of interest, that the decision be made retroactive to February 7, 1978, and that they be awarded attorney fees. The utilities requested that the Commission reconsider the issue of fairness and reasonableness of utility-financed PILA charges and urged that the Commission's decision not be made retroactive as requested by complainants.

Having considered the petitions, the Commission concurred with the complainants' request that interest payments should be included in the PILA refunds. However, the Commission denied complainants' request that the decision be made retroactive.

The issue of utility-financed PILAs was transferred to other proceedings in which major revisions of the utilities' tariffs were being addressed. In those proceedings, the Commission Staff and the utilities stipulated to a tariff change whereby a Levy Upon Connection (LUC) charge

was assessed to customers that wished to connect to already placed utility-financed mains that were not constructed under a special assessment approved by the majority of customers in the benefited area. LUC would replace utility-financed PILA charges and differs from PILA in that no charges are assessed against the property owners until the customer decides to connect to the utility service. Further, the connection charge is not based on actual construction costs plus interest but on per-unit construction costs generally experienced by the utility during the five years preceding the connection. Upon review, the Commission approved the stipulation.

Further, based on the extraordinary circumstances of the PILA case, the Commission determined that the complainants should be awarded attorney fees. The award was made because substantial public benefit was realized as a result of the complainants' efforts in contesting flawed public policy.

Regulation of Refuse Service in the Matanuska-Susitna Valley

As discussed in previous Annual Reports, the Commission determined in prior cases that limited competition should be allowed in the provision of refuse collection service in the Matanuska-Susitna Valley. During FY89 further questions were raised regarding the appropriate limits of

such competition. These issues were raised in several contexts.

All Alaska Enterprises (AAE) filed a request for temporary and permanent operating authority to provide commercial refuse collection service in the service areas of Alma Corporation (Alma) and Wasilla Refuse, Inc. (WRI). Previous orders of the Commission had reserved a monopoly to Alma and WRI in providing commercial service in their service areas. AAE argued that those decisions should be reviewed in light of the Superior Court decision on the appeal of those orders.

Also filed were a request to transfer Alma's certificated service area to WRI and a request by the Matanuska-Susitna Borough (MSB) to expand its service area. WRI also requested clarification and review of the Commission's previous decisions allowing competition for "single-tenancy" commercial buildings.

After a preliminary hearing the Commission granted AAE's request for temporary authority to provide commercial service in the area certificated to Alma but denied temporary authority to provide commercial service in the area certificated to WRI. Authority was allowed in Alma's area because Alma was no longer providing service and WRI had no more right to that area than did AAE. As to WRI's area, the Commission determined that, even though modification of its

previous decision to allow competition for commercial customers seemed likely after final hearing, no such competition should be allowed on an interim basis because of the potential harm to WRI. The Commission also declined to modify its decision allowing competition for "single-tenancy" commercial buildings but indicated that the issue could be reviewed at final hearing.

At the request of AAE, supported by WRI but opposed by MSB, the Commission in early FY89 granted a stay of these proceedings in order to give the Legislature an opportunity to consider legislation which would change the regulatory status of the refuse collection industry. Such a change was recommended in the legislative audit of the Commission and was supported by the Commission. Since no such legislation was passed, the Commission has scheduled further proceedings in FY90 to address these issues.

Request of Peninsula Sanitation Company, Inc., for Exemption from Regulation

Peninsula Sanitation Company, Inc. (PSI), requested the Commission to exempt it from economic regulation in that portion of its service area in which it has competition. PSI is subject to economic regulation because it has gross revenues in excess of $200,000 annually, whereas its competitor, C & S Enterprises (C&S), is exempt because its

revenues are less than $200,000 annually. PSI argued that this places it at a competitive disadvantage.

Although the Commission agreed with PSI that rate regulation should generally be eliminated when competition is present, the Commission denied PSI's request because of the fact that, pursuant to the stipulation between PSI and C&S, C&S was limited in providing commercial service to only 30 containers none of which exceed 6 cubic yards in size. Additionally, the Commission noted that the existence of two firms in the market, with one being much larger and dominant, did not necessarily result in true competition. Accordingly, the petition of PSI was rejected, without prejudice to refiling at such time as PSI could show that true competition exists.

PIPELINES

Endicott Pipeline Company

In FY88 the Commission granted Endicott Pipeline Company (EPC) temporary operating authority to act as an oil pipeline carrier between the Endicott Main Production Island and Pump Station No. 1 of the Trans Alaska Pipeline System and approved EPC's tariff on a temporary basis, pending investigation and consideration of the pipeline carrier's application and tariff. In accordance with AS 42.06.260, the Commission held a public hearing on EPC's application and tariff in January, 1989.

Following the hearing the Commission approved EPC's application and the nonrate provisions of its tariff on a permanent basis; however, disposition of the rate provisions of EPC's tariff was continued for further consideration. The Commission also approved EPC's application to keep its records out of state

Quality Bank Tariffs for the Owners of the Trans Alaska Pipeline System

In December, 1988, Tesoro Alaska Petroleum Company (Tesoro) filed a protest to changes in the tariffs of the owners of the Trans Alaska Pipeline System (TAPS) governing the operation of the TAPS Quality Bank. The Quality Bank is the mechanism through which shippers of lower quality oil

compensate shippers of higher quality oil for the decline in value of that higher quality oil because it is shipped in the TAPS common stream. Tesoro has alleged that the current quality bank mechanism does not fairly compensate shippers due to the addition of natural gas liquids to oil produced at Prudhoe Bay and due to the injection of refined petroleum products at North Pole. Tesoro also alleged that non-petroleum products were being injected into TAPS. The Commission scheduled a hearing for the summer of 1989 on Tesoro's protest. That hearing was postponed in order to allow time for discovery among the parties.

In June, 1989, Conoco Inc., OXY USA, Inc., Petro Star Inc., and Amoco Production Company protested further changes to the Quality Bank provisions of the tariffs of the TAPS owners. Those protests were consolidated with Tesoro's protest and a hearing in both matters is now scheduled for the summer of 1990. That hearing is expected to be conducted concurrently with the Federal Energy Regulatory Commission.

Investigation into the Complaint of Charles Hamel Against the Owners of the Trans Alaska Pipeline System Regarding Shipment of Excess Water Through the Pipeline System

In January, 1989, the Commission closed an investigation begun in 1984, regarding allegations that excess water was being shipped through the Trans Alaska Pipeline

System (TAPS). The investigation was opened as a result of a protest by Charles Hamel against a change in the tariff of one of the TAPS Carriers which increased the limit on the amount of water which may be contained in oil shipped through TAPS.

Hamel alleged that shippers of oil through TAPS had not complied with the water limit in the past and that they would not be able to comply with the proposed higher water limit in the future due to insufficient processing of oil on the North Slope. He alleged that records of the sampling and testing of water content had been falsified to hide the noncompliance.

The Commission found that the proposed higher water limit was reasonable and that shippers on TAPS had complied with that limit except for occasional, transitory violations which could not practically be prevented. With respect to the allegations of falsification of records, the Commission found that, in some instances in the past, multiple samples were taken and tested. Such practices, although questionable, did not amount to a regular pattern of falsification of data and had been discontinued some years ago.

Jurisdiction Over Rates of Cook Inlet Pipeline Company

In early 1987, the Commission set rates for the intrastate transportation of oil through the Cook Inlet Pipe Line (CIPL) for the years 1981 and 1982. Those rates have been the subject of an appeal to the Superior Court since May, 1987. Additionally, in November, 1987, CIPL filed a declaratory order proceeding with the Federal Energy Regulatory Commission (FERC) requesting that the FERC declare the rates set by the Commission to be unlawful. The rates set by the Commission for 1981 and 1982 are lower than the rates in effect for interstate transportation during those years. The FERC issued an order in April, 1989, and an order clarifying the first order in June, 1989. The FERC found that, as a general matter, it was unlawful for a carrier to charge different rates for identical service under Section 2 of the Interstate Commerce Act. However, the FERC declined to take any action with respect to rates set by this Commission because the FERC's power to act was contained in Section 13 of the Act, and Cook Inlet had not requested relief under that section. This same issue of the disparity between interstate and intrastate rates is being argued in an appeal to the Superior Court.

Still pending before the Commission are the rates charged by Cook Inlet for intrastate transportation of oil through its pipeline for the years 1983 through the present.

MISCELLANEOUS

Municipal Utility Service Assessments Paid by Municipal Utilities to the Municipality of Anchorage

The Municipality of Anchorage d/b/a Municipal Light and Power Department, Anchorage Water and Wastewater Utility, and Anchorage Telephone Utility filed a request for the Commission to approve as reasonable the revised formula adopted by the Municipality of Anchorage for calculation of the Municipal Utility Service Assessment (MUSA) paid by each of the Municipal utilities to the Municipality. Since the Municipal utilities are exempt from property taxes which are paid by private utilities, the Municipal utilities pay MUSA. In 1988 the Municipality changed the old MUSA formula which based assessments on total plant in service, to a new formula which based assessments on non-contributed plant plus a percentage of gross regulated operating revenues (gross receipts).

The Commission determined that, for ratemaking purposes, the portion of MUSA based on assessments on non-contributed plant should be included as an expense in calculating the utilities' revenue requirements. However, the Commission determined that the portion based on gross receipts should be treated as a dividend to the Municipality. Payment of the portion treated as a dividend was not

prohibited, but the payments were required to be made from net earnings rather than recovered in rates.

Consumer Affairs Conference

In November, 1988, the Commission held a consumer affairs conference for the consumer services/affairs managers of regulated energy utilities throughout the state. Fifty-two managers attended the three-day conference which provided a forum for the free exchange of ideas concerning energy and consumer issues and their resolution. The agenda included participation by Commissioners and Staff in the introduction of educational materials regarding the regulatory process; panels of utility personnel and outside representatives concerning consumer issues; and an exercise in consensus building regarding the resolution of consumer issues. The Commission anticipates that the consumer affairs conference will be an annual event and has scheduled the second conference for November 15-17, 1989.

FY89 RATE CHANGES GRANTED
(July 1, 1988 - June 30, 1989)

	Requested	Granted
Anchorage Refuse, Inc. (Refuse) (TA18-217)		
Permanent	5.24%	5.24%
Rate of Return	13.02%	13.02%
Return on Equity	14.50%	14.50%
Anchorage Telephone Utility, Municipality of Anchorage d/b/a (Telephone) (Docket U-88-18)		
Interim	20.50%	20.50%
Permanent	54.83%	23.63%
Rate of Return	9.90%	8.87%
Return on Equity	13.50%	11.00%
Anchorage Water & Wastewater Utility, Municipality of Anchorage d/b/a (Water) (Docket U-87-14)		
Interim	8.00%	6.59%
Interim	9.55%	9.55%
Interim	25.11%	25.11%
Permanent	25.11%	25.11%
Interim	19.97%	16.70%
Permanent	19.97%	16.70%
DSC Ratio[1]	1.54	1.54
Anchorage Water & Wastewater Utility, Municipality of Anchorage d/b/a (Water) (Docket U-89-12)		
Interim	28.00%	28.00%
Permanent	43.42%	[2]
Rate of Return	9.82%	[2]
Return on Equity	12.50%	[2]
Bristol Bay Telephone Cooperative, Inc. (Telephone) (TA9-182)		
Permanent	18.72%	17.96%
Rate of Return	8.45%	8.45%
Return on Equity	12.75%	12.75%
Channel Sanitation Corporation (Refuse) (Docket U-89-18)		
Interim	20.00%	18.50%
Permanent	33.15%	----- [3]
Rate of Return	13.40%	----- [3]
Return on Equity	15.00%	----- [3]

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[1]DSC Ratio (Debt Service Coverage Ratio) is the ratio of the funds available for debt service coverage as defined by the bond ordinance(s) to the debt service (principal and interest) payments.

[2]Hearing and decision on the permanent request is pending given the issue raised regarding Anchorage Municipal utilities deregulation.

[3]Hearing and decision on permanent request is pending in FY90.

FY89 RATE CHANGES GRANTED (CONT.)
(July 1, 1988 - June 30, 1989)

	Requested	Granted
Chugach Electric Association, Inc. (Electric) (Docket U-87-35)		
Interim	4.22%	4.22%
Permanent	4.22%	4.04%
Interim	4.89%	4.65%
Permanent	4.89%	4.04%
TIER[4]	1.35	1.35
Chugach Electric Association, Inc. (Electric)[5]		
Permanent (TA107-8) (Retail)	3.01%	2.23%[6]
(Wholesale)	2.74%	2.74%[6]
Permanent (March 1989 Filing)	.00%	.00%[7]
College Utilities Corp. (Sewer) (Docket U-89-24)		
Interim	17.26%	13.75%
Permanent	17.26%	-----[8]
Rate of Return	12.31%	-----[8]
Return on Equity	15.00%	-----[8]
College Utilities Corp. (Water) (Docket U-89-25)		
Interim	10.50%	6.62%
Permanent	10.50%	----[9]
Rate of Return	12.52%	----[9]
Return on Equity	15.00%	----[9]
Eagle River Refuse, Inc. (Refuse) (TA14-218)		
Permanent	8.23%	7.75%
Rate of Return	13.02%	13.02%
Return on Equity	14.50%	14.50%

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[4]TIER (Times Interest Earned Ratio) is the ratio of net margins plus interest expense to interest expense and is the mechanism most often used in calculating the return allowed to cooperatives with financing by the Rural Electrification Administration.

[5]On March 3, 1989, the Commission approved Chugach Electric Association, Inc.'s application for use of the Simplified Rate Filing Procedures for Electric Cooperatives (3 AAC 48.700 - 3 AAC 48.790).

[6]Permanent rate increases approved with a March 3, 1989, effective date.

[7]No permanent rate change was requested in the March 1989 filing, although the filing indicated that a .323 percent decrease for retail and a .219 percent decrease for wholesale would be allowable.

[8]*See* n. 3.

[9]*See* n. 3.

FY89 RATE CHANGES GRANTED (CONT.)
(July 1, 1988 - June 30, 1989)

	Requested	Granted
Eklutna Utilities, Inc. (Water) (TA8-248)		
Permanent	17.35%	17.35%
Rate of Return	10.72%	10.72%
Return on Equity	14.50%	14.50%
Homer Electric Association, Inc. (Electric) (Docket U-88-51)		
Interim	5.23%	5.23%
Permanent	5.23%	0.00%[10]
I-N-N Electric Cooperative, Inc. (Electric) (Docket U-88-68)		
Interim	15.64%	12.30%
Permanent	15.64%	12.38%
Rate of Return	7.192%	7.156%
Return on Equity	15.00%	13.00%
Interior Services, Ralph E. Bartlett d/b/a (Refuse) (Docket U-88-39)		
Interim	60.00%	0.00%
Permanent	79.54%	34.14%
Rate of Return	14.00%	14.00%
Return on Equity	17.00%	11.00%
Kodiak Electric Association, Inc. (Electric) (Docket U-88-66)		
Interim (Decrease)	<6.86>%	<7.31>%
Permanent (Decrease)	<6.86>%	<8.49>%
TIER[11]	2.20	2.20
Manley Utility Company, Inc. (Electric) (Docket U-89-40)		
Permanent	7.25%[12]	7.25%[12]
Rate of Return	12.08%	12.08%
Return on Equity	15.00%	15.00%

[10]On July 6, 1988, Homer Electric Association, Inc., filed a request for an interim and permanent rate increase in response to a special contract with Tesoro Petroleum Company. An interim increase of 5.23 percent was granted to the utility, but it was later rescinded when the Commission rejected the tariff revision.

[11]*See* n. 4.

[12]Permanent rates were requested and approved on a new rate design. The percentage shown is the overall increase in revenues which were collected through different percentage increases on the rates of each class of service.

FY89 RATE CHANGES GRANTED (CONT.)
(July 1, 1988 - June 30, 1989)

	Requested	Granted
Matanuska Electric Association, Inc. (Electric)[13]		
Permanent (September 1988 Filing)	0.00%	0.00%[14]
Permanent (December 1988 Filing)	0.00%	0.00%[15]
Permanent Decrease (TA132-18)	<3.95>%	<3.95>%[16]
Permanent Decrease (TA135-18)	<1.68>%	<1.68>%[17]
Municipal Light & Power Department, Municipality of Anchorage d/b/a (Electric) (Docket U-87-84)		
Interim	10.66%	5.00%
Interim	10.66%	6.77%
Permanent	11.60%	9.68%
Permanent	11.60%	10.30%[18]
Rate of Return	10.63%	9.766%
Return on Equity	14.02%	13.00%
DSC Ratio[19]	1.60	1.60
Norfolk Utilities, Inc. (Water) (TA5-65 & TA6-65)		
Interim	25.53%	25.53%
Permanent	28.76%	28.76%
Rate of Return	13.83%	12.66%
Return on Equity	14.50%	13.00%
Peninsula Sanitation Company, Inc. (Refuse) (Docket U-89-14)		
Homer Service Area		
Interim	15.00%	15.00%
Permanent	24.14%	15.80%
Rate of Return	12.99%	12.70%
Return on Equity	15.00%	14.50%
Girdwood Service Area		
Interim	15.00%	15.00%
Permanent	24.93%	17.45%
Rate of Return	12.99%	12.70%
Return on Equity	15.00%	14.50%

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[13]On March 20, 1987, the Commission approved Matanuska Electric Association, Inc.'s application for use of the Simplified Rate Filing Procedures for Electric Cooperatives (3 AAC 48.700 -- 3 AAC 48.790).

[14]No permanent rate increase was requested in the September 1988 filing, although the filing showed that an increase of .26 percent could have been allowed.

[15]No permanent rate increase was requested in the December 1988 filing.

[16]Permanent rate decrease approved with an April 7, 1989, effective date.

[17]Permanent rate increase approved with a July 7, 1989, effective date.

[18]The Municipality of Anchorage d/b/a Municipal Light & Power Department was initially granted a 9.68 percent permanent rate increase which was subsequently raised to 10.3 percent following reconsideration by the Commission.

[19]*See* n. 1.

FY89 RATE CHANGES GRANTED (CONT.)
(July 1, 1988 - June 30, 1989)

	Requested	Granted
Sand Point Electric, Inc. (Electric) (Docket U-88-54)		
Interim	81.58%[20]	77.23%[20]
Permanent	81.58%	----- [21]
Rate of Return	12.04%	----- [21]
Return on Equity	15.00%	----- [21]
Telephone Utilities of Alaska, Inc. (Telephone) (Docket U-88-6)		
Interim	78.00%	78.00%
Permanent	----- [22]	----- [23]
Rate of Return	12.75%	-----%
Return on Equity	13.36%	-----%
Telephone Utilities of the Northland, Inc. (Telephone) (Docket U-88-5)		
Interim	52.00%[24]	0.00%
Permanent	70.00%[25]	----- [26]
Rate of Return	12.59%	-----
Return on Equity	15.70%	-----

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[20]Interim rates were requested and approved on a new rate design. The percentage shown is the overall increase in revenues which were collected through different percentage increases on the rates of each class of service.

[21]*See* n. 3.

[22]Permanent rates were requested on a new rate design; e.g. the utility requested a 70 percent increase in local private line rates in its two service areas (the former Juneau Douglas Telephone Company (JDTC) and Telephone Utilities of Alaska (old TUA) service areas) and increases ranging from 76 percent for key line service to 165 percent for exchange trunk lines in the old TUA area. The request was withdrawn and replaced in May 1989 with a modified rate redesign request which incorporated an overall rate increase of 14.98 percent and the elimination of touch call, zone, and mileage charges. The rates requested ranged from a 44 percent decrease to trunk exchange rates in JDTC to a 115 percent increase in business exchange rates in Ft. Wainwright.

[23]Permanent approval of the revenue requirement and decision on the percent increase applicable to each rate are pending in FY90.

[24]The utility requested a 52 percent increase for its former Sitka Telephone Company (STC) service area and a 3 percent decrease for its former Glacier State Telephone Company (GSTC) service area.

[25]Permanent rates were requested on a new rate design; e.g. the utility requested a 70 percent increase in local private line rates in both its STC and GSTC service areas, a 3 percent decrease for all other services in its GSTC service area, and a 2-3 percent increase in basic access line service in its STC "bush" communities. This permanent request was withdrawn and replaced in May 1989 with a modified rate redesign request which incorporated a revenue decrease of 7.5 percent and elimination of touch call, zone, and mileage charges. The rates requested ranged from a decrease of 39 percent to business rates in the North Pole/Delta Junction area to a 135 percent increase to key line service in the Sitka area.

[26]*See* n. 23.

FISCAL YEAR 1990 PLAN

The Commission instituted an annual planning process beginning in FY89. The purpose of this process is to develop a plan for the upcoming fiscal year which balances and prioritizes the two major components of the Commission's workload:

(1) responses to requests from utilities, pipeline carriers, consumers, shippers, and others or to actions taken by other governmental agencies and

(2) projects initiated by the Commission involving substantive regulatory issues or procedures.

The FY89 Plan was summarized in last year's Annual Report.

Continuing with this process, the Commission has developed a program for FY90 which builds on experience with the previous year's plan as well as incorporates the current issues and workload facing the agency. The major components of the FY90 Plan will be described in this section of the Annual Report.

Telecommunications Issues

Telecommunications issues will continue to dominate the Commission's workload in FY90. In its FY89 Plan,

the Commission established a strategy and schedule for addressing the numerous issues facing the telecommunications industry and public, including the following:

(1) How should the intrastate costs of local telephone companies be separated between local and state toll services?

(2) Should a fixed subscriber line charge be added to monthly telephone bills in order to recover a portion of the costs assigned to state toll services?

(3) Should the current system of settlements be replaced with access charges as the means for toll carriers to compensate local telephone companies for use of their facilities? and

(4) How should Alascom's rates be structured?

At the end of FY89, the record was substantially complete in these proceedings, and decisions will be issued in the first half of FY90. These rulings will result in a fundamental restructuring of the telephone industry and, with this framework in place, the Commission can then focus on the question of whether or not intrastate toll competition should be allowed. The Commission's primary activities

will take place in the context of considering regulations governing competition and an application from General Communication, Inc., for authority to provide intrastate toll service. In addition, the Commission will assist the Legislature in its deliberations on competition bills which have been introduced and participate as appropriate in discussions of the competition initiatives which may be before the voters in November 1990.

Clearly, completion of the restructuring issues and consideration of intrastate toll competition will dominate the Commission's telecommunications agenda. However, the Commission also expects to follow-up on two other issues which have surfaced during these proceedings. They involve the provision of directory assistance service and billing and collection for toll calls.

Internal Procedures

The Commission will continue the review of internal procedures it began in FY89. The primary target will be analysis of, and improvement in, the handling of "paper" by the agency. A comprehensive records management plan will be developed to assure the proper handling, storage, and retrieval of all documents received, processed, and created by the Commission. Simultaneously, the Commission will be examining its data processing functions and equipment to be

sure this facet of the operation meets the needs of the agency and is coordinated with the flow of "paper."

The Commission also plans to examine its present organizational structure and operating procedures. Particular attention will be given to the relationship between the Commissioners and their Staff and attorneys; meeting protocol; the status of documents; and simplification of orders. In conjunction with this exercise, the Commission will begin a multi-year project to review and, as appropriate, rewrite the regulations governing its practices and procedures.

In addition, the Commission will initiate a comprehensive approach to implementing a keyword indexing system. This system will provide a topical reference to the Commission's decisions, an essential reference tool for the Commission, utilities, public, and all practitioners before the agency. Establishment of such a system has been a long-standing objective of both the Commission and legislative audi ors. (*See* Sunset Audits in 1979, 1984, 1985, and 1989.)

Power Cost Equalization (PCE)

The Commission will complete the second phase of its PCE project in FY90. The focus of the first phase was promulgation of regulations to formalize existing procedures

for administering the PCE program and to institute efficiency standards. The primary objective of the second phase is to publish jointly with the Alaska Energy Authority a brochure for the general public which describes the key features of the program in nontechnical terms. The Commission will also continue its review of the forms and data used for PCE computations and will consider further improvements on an on-going basis.

Small Utility Ratemaking

This project was initiated in FY89 in response to perceived interest and need to simplify the ratemaking procedures for small utilities. The Commission opened an inquiry on the subject but received very limited response to its request for feedback on the problems facing small utilities as well as any potential solutions. While this stalled progress on the issue in FY89, the Commission continues to believe that it is worthy of consideration. In FY90 the initial focus will be on the annual report forms filed by utilities. The objective will be to cleanup, standardize, and computerize those forms and, at the same time, to analyze their possible use as the primary data base for small utility ratemaking.

Pipelines

The Commission will finalize its deliberations and decision on the proposed settlement of the Trans Alaska Pipeline System (TAPS) intrastate tariff during FY90. In a related matter, the Commission anticipates spending considerable time revisiting the quality bank provisions of the TAPS tariff as a result of changes in the composition of oil shipped through the pipeline and questions raised about the computation of the quality differential.

The Commission will also conduct a legal and policy analysis of the certification of oil and gas pipelines. The objective of this exercise will be to develop clear guidelines in this area and to assure consistent treatment regarding pipeline certification.

Lastly, the Commission will continue to monitor the oil pipeline rate cases currently being processed before the Federal Energy Regulatory Commission (FERC) and will devise a plan and schedule for developing a standardized ratemaking method for oil pipelines considering, among other things, the approach adopted by the FERC. Substantive work on pending rate cases currently is anticipated for FY91.

STATUTORY REVIEW

The Commission is governed by AS 42.05 and AS 42.06, which define its powers and duties; establish procedures for fulfilling its responsibilities; and impose certain requirements on utilities and pipeline carriers. The specific provisions of these statutes incorporate the regulatory policies of the Legislature, which are subject to regular review and reassessment. The purpose of this section of the annual report is to provide the Legislature, for its information and consideration, a first-hand assessment of the effectiveness of AS 42.05 and AS 42.06 in fulfilling existing policies and addressing pending issues.

Deregulation Elections

The Commission's existing statute allows certain utilities (cooperatives, telephone and electric utilities with annual gross revenues of less than $325,000, and all other types of utilities with annual gross revenues of less than $100,000) to conduct elections for their consumers to vote on the question of whether they should be exempt from regulation by the Commission. The rules governing deregulation elections are set out at AS 42.05.712 and 3 AAC 49.

In FY89 an issue arose during a deregulation election conducted by Kodiak Electric Association, Inc. (KEA), concerning the timing of making the list of KEA consumers

available to one of its members. Under AS 42.05.712(f) the participating utility is required to provide the list to any member who requests one during the 60 days immediately preceding an election. However, the time periods for this and other actions which must be taken to conduct a lawful deregulation election are confusing and ambiguous under the statute. For reasons discussed in greater detail in the Significant Events section of the Annual Report, the Commission found it necessary to invalidate the KEA election. The Commission urges the Legislature to review and revise AS 42.05.712 so that the ground rules governing deregulation elections can be clarified and future problems of interpretation can be avoided.

Regulation of Political Subdivisions

In early FY90 the Municipality of Anchorage finalized the action it initiated in FY89 to remove its electric, telephone, sewer, and water utilities from the regulatory jurisdiction of the Commission with respect to rates, service, practices, and facilities. The Municipality's action is based on AS 42.05.711(b) of the Commission's statute which exempts utilities owned by political subdivisions from economic regulation with two exceptions:

(1) the governing body of a political subdivision may elect to be subject to this chapter; and

(2) a utility or electric operating entity that is owned and operated by a political subdivision and that directly competes with another utility or electric operating entity is subject to this chapter and any other utility or electric operating entity owned and operated by the political subdivision is also subject to this chapter.

The Municipality's decision raises some legal and technical questions which may ultimately require legislative resolution. First, can political subdivisions remove their utilities from economic regulation only in the same manner in which they originally elected to be subject to such regulation? Second, how often may political subdivisions exercise the option for their utilities to be in or out of the Commission's full jurisdiction? Third, does the criterion "directly competes" require clarification or modernization? Depending on the outcome of this matter, it may be necessary for the Legislature to address these and other issues associated with exemptions of utilities owned and operated by political subdivisions.

Certification

Under AS 42.05 providers of utility services which meet certain criteria must secure a certificate of public

convenience and necessity from the Commission in order to charge for those services. Generally, a provider initiates the process by filing an application with the Commission for a certificate and actively assists in its processing. The Commission issues a certificate after a determination has been made that the service is required by the public and that the applicant is fit and able to provide the service.

Since the inception of the Power Cost Equalization program, numerous electric utilities operating in rural Alaska have been required to get certificates because they have annual gross revenues in excess of $50,000. Many of these utilities have a difficult time complying with the technical requirements for securing a certificate. The biggest problem they face is being able to provide some documentation to show that their electrical systems are safe; i.e., constructed in conformance with the National Electrical Safety Code. In addition, some of these utilities do not see having a certificate as necessary or important; and, thus, the Commission finds itself in the awkward position of having to enforce a legal requirement on these utilities which they cannot or will not meet. Imposing fines or issuing a directive to cease providing service pending certification would likely be more harmful than helpful to the utility and its consumers. Thus, the Legislature may want to examine the particular problems facing

rural electric utilities in meeting minimal safety standards for certification and to consider providing technical and financial assistance for compliance with them.

Utility Refunds

In its FY89 Annual Report the Commission encouraged the Legislature to consider whether the overall public interest would best be served by exempting unclaimed utility deposits and interim rate refunds from general state policy on abandoned property. Currently, under AS 34.45.190, a utility which is unable to return deposits or interim rate refunds to former customers must hold these funds for a year and then follow the procedures for abandoned property set forth in AS 34.45.280 -- 34.45.340. The Commission believes that such unclaimed funds should be used for the benefit of all customers of a utility as may be directed by the Commission. In addition, there are already substantial regulatory recordkeeping requirements for deposits and interim rate revenues, and AS 34.45.190 imposes additional recordkeeping and costs on the utility's existing customers with no commensurate benefits.

At the conclusion of its rate case in FY90, Chugach Electric Association, Inc. (Chugach), was required to refund excess revenues collected under interim rates which were higher than its new permanent rates. After

paying refunds to all existing and locatable former customers, Chugach proposed to transfer unclaimed refunds to the Miscellaneous Income account to defray the cost of administering the refund and to return the balance of these revenues to its ratepayers. The Commission agreed with this plan but could not authorize it because of a legal opinion stating that unclaimed utility refunds were covered by AS 34.45.190. Chugach subsequently appealed this interpretation of the law to Superior Court and has requested a declaratory judgment on the applicability of AS 34.45.190 to unclaimed refunds. If the court's decision is adverse to Chugach, then the Legislature should consider whether the existing unclaimed property law should be modified for public utilities.

Federal Impact

The Legislature also should be aware that federal actions in a number of areas may make it necessary to consider some changes in the Commission's statute in the future. In particular, the 1986 amendments to the Safe Water Drinking Act and related regulations have established new standards for water contamination and treatment. Implementation of proposed Subtitle D regulations and an international agreement requiring shore-based facilities to receive garbage from ocean-going vessels (MARPOL) will have a

dramatic impact on the cost and processing of solid waste in Alaska. Lastly, if the Americans with Disabilities Act of 1989 passes Congress as proposed, all common carriers will be responsible for providing an interstate and intrastate telecommunications relay service for the hearing and speech impaired. The Commission will keep the Legislature advised of the impact of these and other federal policies on AS 42.05 and AS 42.06.

FINANCIAL INFORMATION COVERING ALL FULLY REGULATED UTILITIES
1985-1988
(Calendar Years)

NET PLANT	1985	1986	1987	1988
Electric	$ 928,106,153	$ 994,305,008	$1,002,635,913	$1,002,386,448
Garbage	4,534,264	5,483,768	5,089,024	5,411,141
Gas	156,862,254	158,946,296	157,479,366	158,683,068
Sewer	31,801,878	40,164,520	56,634,528	57,860,647
Telephone[1]	860,562,669	746,602,472	826,267,574	872,340,445
Water	36,846,702	68,570,827	97,289,782	98,824,817
	$2,018,713,920	$2,014,072,891	$2,145,396,187	$2,195,506,566

TOTAL REVENUE	1985	1986	1987	1988
Electric	$ 337,869,851	$ 357,698,912	$ 356,555,032	$ 363,613,335
Garbage	15,142,654	15,560,477	16,656,474	17,665,838
Gas	164,884,920	197,245,133	100,761,438	112,778,398
Sewer	18,541,709	19,924,881	20,027,309	18,954,879
Telephone	531,939,681	466,533,688	493,071,932	495,340,794
Water	17,397,669	18,970,042	21,969,687	22,623,038
	$1,085,776,484	$1,075,933,133	$1,009,041,872	$1,030,976,282

NET INCOME	1985	1986	1987	1988
Electric	$ 33,967,531	$ 24,610,916	$ 25,159,283	$ 61,908,362
Garbage	651,204	180,096	161,885	167,591
Gas	10,105,538	9,899,243	15,929,831	10,091,316
Sewer	1,509,274	<962,796>	<1,342,321>	<1,869,713>
Telephone	75,860,609	58,580,200	58,625,131	66,218,790
Water	2,323,280	1,654,809	984,935	381,381
	$ 124,417,436	$ 93,962,468	$ 99,518,744	$ 136,897,727

USERS	1985	1986	1987	1988
Electric	188,476	194,669	195,588	195,111
Garbage	35,296	37,901	38,215	38,466
Gas	73,089	77,193	79,131	80,262
Sewer	43,557	45,095	51,076	59,316
Telephone	186,517	156,764	211,779	225,860
Water	42,714	44,765	46,008	46,710
	569,649	556,387	621,797	645,725

[1]In this chart "Telephone" includes financial data for Alascom, Inc., the long lines carrier. See pp. 131-132 for telecommunication utilities data.

CERTIFICATED ELECTRIC UTILITIES

*Akiachak Native Community Electric Company
*Akutan, City of
Alaska Electric Generation & Transmission Cooperative, Inc.
Alaska Electric Light & Power Company[1]
Alaska Power & Telephone Company[2]
Alaska Village Electric Cooperative, Inc.[3]
*Allakaket City Energy Systems
Andreanof Electric Corporation
Aniak Light and Power Company, Inc.
Arctic Utilities, Inc.
*Atmautluak Joint Utilities
Barrow Utilities and Electric Cooperative, Inc.
Beaver Village Electrical Utilities
Bethel Utilities Corporation, Inc.
Bettles Light & Power, Inc.
*Chefornak Electric Company
*Chignik, City of
*Chistochina Trading Post
*Chitina Electric, Inc.

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[1]Alaska Electric Light & Power Company provides service to Douglas, Juneau, and Sterling.

[2]Alaska Power & Telephone Company provides service to Craig, Dot Lake, Hollis, Hydaburg, Skagway, Tanacross, and Tok.

[3]Alaska Village Electric Cooperative, Inc., provides service to Alakanuk, Ambler, Anvik, Chevak, Eek, Elim, Emmonak, Gambell, Goodnews Bay, Grayling, Holy Cross, Hooper Bay, Huslia, Kaltag, Kasigluk, Kiana, Kivalina, Koyuk, Lower Kalskag, Marshall, Mekoryuk, Minto, Mountain Village, New Stuyahok, Noatak, Noorvik, Nulato, Nunapitchuk, Old Harbor, Pilot Station, Pitkas Point, Quinhagak, Russian Mission, St. Marys, St. Michael, Savoonga, Scammon Bay, Selawik, Shageluk, Shaktoolik, Shismaref, Shungnak, Stebbins, Togiak, Toksook Bay, Tununak, Upper Kalskag, and Wales.

CERTIFICATED ELECTRIC UTILITIES (CONT.)

Chugach Electric Association, Inc.[4]
*Circle Electric,
Richard Hutchinson d/b/a
*City of Kobuk
*Clarks Point Electric Utility
Coffman Cove Utilities Association
Copper Valley Electric
Association, Inc.[5]
*Cordova Electric Cooperative, Inc.
*Diomede, City of
*Eagle Power Company, Inc.,
Ralph E. Helmer d/b/a
*Egegik Light and Power,
Homer Lee Leonard d/b/a
*Fairbanks Municipal Utilities System,
City of Fairbanks d/b/a
Far North Utilities
G & K, Inc.
*Galena, City of
Golden Valley Electric
Association, Inc.[6]
*Golovin, City of
Gustavus Electric, Inc.
Gwitchyaa Zhee Utility Company
Haines Light & Power Company, Inc.
Homer Electric Association, Inc.[7]

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[4]Chugach Electric Association, Inc., provides service to Anchorage, Girdwood, Hope, Moose Pass, Portage, Tyonek, and Whittier.

[5]Copper Valley Electric Association, Inc., provides service to Copper Center, Gakona, Glennallen, Kenny Lake, Nelchina, and Valdez.

[6]Golden Valley Electric Association, Inc., provides service to Anderson, Cantwell, Clear, College, Delta Junction, Fairbanks, Ft. Greely, Ft. Wainwright, Healy, McKinley Park, Nenana, North Pole, and Usibelli.

[7]Homer Electric Association, Inc., provides service to Anchor Point, Cooper Landing, Halibut Cove, Homer, Kalifonsky, Kasilof, Kenai, Nikiski, Ninilchik, North Kenai, Port Graham, Seldovia, Soldotna, and Sterling.

CERTIFICATED ELECTRIC UTILITIES (CONT.)

*Hughes Power & Light Company
*I-N-N Electric Cooperative, Inc.[8]
*Ipnatchiaq Electric Company
Katmai Hydro
*Ketchikan, City of
King Cove, City of
Kodiak Electric Association, Inc.[9]
*Kotlik, City of
Kotzebue Electric Association, Inc.
*Kuiggluum Kallugvia,
Kwethluk Inc. d/b/a
*Kwig Power Company
*Larsen Bay, City of
*Levelock Electric Cooperative, Inc.
Manley Utility Company, Inc.
*Manokotak Power Company
Matanuska Electric Association, Inc.[10]
McGrath Light & Power Co.
Middle Kuskokwim Electric
Cooperative, Inc.[11]
Municipal Light & Power Department,
Municipality of Anchorage d/b/a
*Naknek Electric Association, Inc.[12]
Napakiak Ircinaq Power Company
*Nelson Lagoon Electric
Cooperative, Inc.

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[8]I-N-N Electric Cooperative, Inc., provides service to Iliamna, Newhalen, and Nondalton.

[9]Kodiak Electric Association, Inc., provides service to Kodiak, Port Lions, Port Moller, and Womens Bay.

[10]Matanuska Electric Association, Inc., provides service to Big Lake, Chugiak, Eagle River, Houston, Montana, Palmer, Sutton, Talkeetna, Unalakleet, Wasilla, and Willow.

[11]Middle Kuskokwim Electric Cooperative, Inc., provides service to Chuathbaluk, Crooked Creek, Red Devil, Sleetmute, and Stony River.

[12]Naknek Electric Association, Inc., provides service to King Salmon and Naknek.

CERTIFICATED ELECTRIC UTILITIES (CONT.)

*Nome Joint Utility Systems
*North Slope Borough Power and Light System,
North Slope Borough d/b/a[13]
Northway Power & Light, Inc.
*Nushagak Electric Cooperative, Inc.[14]
*Ouzinkie, City of
*Paxson Lodge, Inc.
Pelican Utility Company
*Petersburg, City of
*Port Heiden, City of
**Puvurnaq Power Company
*Ruby, City of
*Saint George, City of
*Saint Paul, City of
Sand Point Electric, Inc.
*Semloh Supply,
Weldon S. Holmes d/b/a
*Seward, City of
Sheldon Point Electric Co.
*Sitka, City and Borough of
**Takotna Community Association, Inc.
Tanana Power Company, Inc.
Teller Power Company, Inc.
*Tenakee Springs Electric Utility Department,
City of Tenakee Springs d/b/a
*Thomas Bay Power Authority
*Thorne Bay, City of
Tlingit-Haida Regional Electrical Authority[15]
**Tuntutuliak Community Services
Association

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

**Not regulated by Alaska Public Utilities Commission as to rates.

[13]North Slope Borough Light & Power System provides service to Anaktuvuk Pass, Atkasuk, Bartlett Cove, Kaktovik, Nuiqsut, Point Hope, Point Lay, and Wainwright.

[14]Nushagak Electric Cooperative, Inc., provides service to Aleknagik and Dillingham.

[15]Tlingit-Haida Regional Electrical Authority provides service to Angoon, Hoonah, Kake, Kasaan, and Klawock.

CERTIFICATED ELECTRIC UTILITIES (CONT.)

*Umnak Power Company,
Native Village of Nikolski d/b/a
*Unalaska, City of
*Ungusraq Power Company
*Weisner Trading Company
*White Mountain, City of
*Wrangell, City of
Yakutat Power, Inc.

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

ELECTRIC UTILITIES
(1988 Calendar Year)

Utility	Net Plant	Revenues: Total Revenues	Revenues: Net Income	Users
(Gross Operating Revenue Greater Than $5,000,000)				
Alaska Electric Generation & Transmission Cooperative, Inc.	$ 16,658,444	$ 15,407,264	$ 594,325	1
Alaska Electric Light and Power Company	41,201,810	15,972,484	1,336,767	10,587
Alaska Village Electric Cooperative, Inc.	27,891,080	12,434,938	1,297,498	5,071
Chugach Electric Association, Inc.	369,141,800	94,779,116	7,680,003	60,490
Copper Valley Electric Association, Inc.	13,883,420	7,170,158	841,993	2,432
Golden Valley Electric Association, Inc.	132,887,260	40,214,093	3,493,130	26,453
Homer Electric Association, Inc.	84,396,117	31,056,526	7,132,572	17,340
Kodiak Electric Association, Inc.	35,452,675	14,688,409	2,908,588	4,654
Matanuska Electric Association, Inc.	105,301,934	38,347,425	12,039,062	28,162
Municipal Light & Power Department, Municipality of Anchorage d/b/a [1]	140,859,763	64,194,736	21,606,685[2]	29,500
Subtotal	$ 967,674,303	$334,265,149	$58,930,623	184,690

[1]ML&P restated the $19,697,578 loss on the refinancing of the 1986 Bond Issue. The loss is to be amortized over a thirty-year period.

ELECTRIC UTILITIES (CONT.)
(1988 Calendar Year)

Utility	Net Plant	Revenues		Users
		Total Revenues	Net Income	
(Gross Operating Revenue Greater Than $1,500,000 but Less Than $5,000,000)				
Alaska Power & Telephone Company	$ 3,571,012	$ 3,467,736	$ 802,856	1,792
Arctic Utilities, Inc.[2]	1,762,055	3,087,280	388,774	28
Barrow Utilities and Electric Cooperative, Inc.	1,363,941	1,768,022	278,843	1,310
Bethel Utilities Corporation, Inc.	2,708,352	4,917,507	<16,484>	1,722
Kotzebue Electric Association, Inc.	6,622,464	2,925,918	273,339	987
Tlingit-Haida Regional Electrical Authority	6,062,295	3,112,319	683,420	978
Subtotal	$ 22,090,119	$ 19,278,782	$ 2,410,748	6,817

[2]Information presented for year ending 6/30/88.

ELECTRIC UTILITIES (CONT.)
(1988 Calendar Year)

Utility	Net Plant	Revenues: Total Revenues	Revenues: Net Income	Users
(Gross Operating Revenue Greater Than $500,000 but Less Than $1,500,000)				
Aniak Light and Power Company, Inc.	$ 830,437	$ 602,105	$ <7,651>	183
G & K, Inc.	1,638,631	1,212,693	25,639	75
Gwitchyaa Zhee Utility Company[3]	673,903	599,805	<5,106>	355
Haines Light & Power Company, Inc.	1,237,010	1,098,902	5,138	782
I-N-N Electric Cooperative, Inc.	1,642,734	746,870	109,848	265
McGrath Light & Power Company[4]	1,023,015	907,041	143,547	242
Sand Point Electric, Inc.[5]	405,908	1,028,981	34,416	370
Tanana Power Company, Inc.	817,291	556,864	121,438	190
Yakutat Power, Inc.	664,484	782,086	2,725	310
Subtotal	$ 8,933,413	$ 7,535,347	$ 429,994	2,772

[3]Information presented for year ending 4/30/88.

[4]Information presented for year ending 9/30/88.

[5]Information presented for year ending 3/31/89.

ELECTRIC UTILITIES (CONT.)
(1988 Calendar Year)

Utility	Net Plant	Revenues		Users
		Total Revenues	Net Income	
(Gross Operating Revenue Less Than $500,000)				
Andreanof Electric Corporation[6]	$ 130,051	$ 79,240	$ 7,215	38
Bettles Light & Power, Inc.	323,485	398,265	<11,752>	54
Far North Utilities	316,325	157,941	12,014	44
Levelock Electric Cooperative, Inc.[7]	74,119	140,132	24,962	66
Manley Utility Company, Inc.	330,556	134,523	<30,346>	90
Middle Kuskokwim Electric Cooperative, Inc.	1,500,475	369,614	10,845	136
Napakiak Ircinaq Power Company[8]	118,951	273,827	47,163	100
Northway Power & Light, Inc.	267,965	333,032	25,004	113
Pelican Utility Company[9]	452,049	325,103	26,611	105
Teller Power Company	174,637	322,380	25,281	86
Subtotal	$ 3,688,613	$ 2,534,057	$ 136,997	832
TOTALS	$1,002,386,448	$363,613,335	$61,908,362	195,111

[6]Information presented for year ending 6/30/88.

[7]Information presented for year ending 4/30/88. Deregulated in 1989.

[8]Information presented for year ending 10/31/88.

[9]Information presented for year ending 3/31/89.

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES

The purpose of the chart on the next five pages is to describe the electric bills paid by consumers in most communities at three different kilowatt-hour (kWh) usage levels. The communities listed are those served by utilities subject to rate regulation by the Commission. For each level of usage, the chart shows the following: first, the total bill for that usage; second, the portion of the bill which will be paid by the State of Alaska through the Power Cost Equalization (PCE) program; and third, the amount which the customers must pay.

A more detailed description of the PCE program is found on page 115 of this report. For communities whose residents are not eligible for PCE, the chart shows "N/A."

In evaluating the information in the chart, one should keep in mind that consumption levels vary widely both among the consumers of a single utility and among different utilities. Approximate average 1988 monthly residential consumption levels for fourteen utilities are shown below.

Utility	1988 Monthly Average Residential kWh Usage
Alaska Electric Light & Power Company	525
Alaska Power & Telephone Company	425
Alaska Village Electric Cooperative, Inc.	280
Bethel Utilities Corporation, Inc.	470
Bettles Light & Power, Inc.	460
Chugach Electric Association, Inc.	710
Golden Valley Electric Association, Inc.	690
Homer Electric Association, Inc.	750
Kodiak Electric Association, Inc.	520
Kotzebue Electric Association, Inc.	515
Matanuska Electric Association, Inc.	875
Municipal Light & Power Department, Municipality of Anchorage d/b/a	520
Tanana Power Company, Inc.	340
Tlingit-Haida Regional Electrical Authority	530

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES (CONT.)

(As of June 30, 1989 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	750 KWH	UTILITY SERVING COMMUNITY
Anchorage	Monthly bill	12.97	46.85	68.03	Municipal Light & Power Department, Municipality of Anchorage
	PCE credit	N/A	N/A	N/A	
	Customer bill	12.97	46.85	68.03	
Anchorage	Monthly bill	12.87	39.36	55.92	Chugach Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	12.87	39.36	55.92	
Angoon	Monthly bill	35.00	165.60	241.35	Tlingit-Haida Regional Electrical Authority
	PCE credit	21.86	109.30	163.95	
	Customer bill	13.14	56.30	77.40	
Aniak	Monthly	42.38	202.18	298.40	Aniak Light and Power Power Company, Inc.
	PCE credit	24.04	125.20	187.80	
	Customer bill	17.34	76.98	110.60	
AVEC Communities	Monthly bill	40.03	200.15	300.23	Alaska Village Electric Cooperative, Inc.
	PCE credit	25.93	129.65	194.48	
	Customer bill	14.10	70.50	105.75	
Barrow	Monthly bill	15.20	40.00	55.50	Barrow Utilities and Electric Cooperative, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	15.20	40.00	55.50	
Bethel	Monthly bill	22.07	91.90	131.33	Bethel Utilities Corporation, Inc.
	PCE credit	6.87	34.35	51.53	
	Customer bill	15.20	57.55	79.80	
Bettles	Monthly bill	47.91	239.55	359.33	Bettles Light & Power, Inc.
	PCE credit	29.82	149.10	223.65	
	Customer bill	18.09	90.45	135.68	
Central	Monthly bill	44.89	224.45	336.68	Far North Utilities
	PCE credit	27.68	138.40	207.60	
	Customer bill	17.21	86.05	129.08	
Chuathbaluk	Monthly bill	54.40	272.00	408.00	Middle Kuskokwim Electric Cooperative, Inc.
	PCE credit	37.64	188.20	282.30	
	Customer bill	16.76	83.80	125.70	
Chugiak	Monthly bill	18.92	54.62	76.93	Matanuska Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	18.92	54.62	76.93	
Cold Bay	Monthly bill	45.25	176.25	258.12	G & K, Inc.
	PCE credit	22.93	114.65	171.98	
	Customer bill	22.32	61.60	86.14	
Copper Center	Monthly bill	26.92	102.70	146.50	Copper Valley Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	26.92	102.70	146.50	
Craig	Monthly bill	18.69	80.17	118.60	Alaska Power & Telephone Company
	PCE credit	4.15	20.75	31.13	
	Customer bill	14.54	59.42	87.47	
Crooked Creek	Monthly bill	54.40	272.00	408.00	Middle Kuskokwim Electric Cooperative, Inc.
	PCE credit	37.64	188.20	282.30	
	Customer bill	16.76	83.80	125.70	

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES (CONT.)

(As of June 30, 1989 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	750 KWH	UTILITY SERVING COMMUNITY
Delta Junction	Monthly bill	19.29	56.46	75.32	Golden Valley Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	19.29	56.46	75.32	
Douglas	Monthly bill	13.40	39.00	55.00	Alaska Electric Light & Power Company
	PCE credit	N/A	N/A	N/A	
	Customer bill	13.40	39.00	55.00	
Eagle River	Monthly bill	18.92	54.62	76.93	Matanuska Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	18.92	54.62	76.93	
Fairbanks	Monthly bill	19.20	56.46	73.32	Golden Valley Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	19.29	56.46	75.32	
Fort Yukon	Monthly bill	42.31	151.59	201.14	Gwitchyaa Zhee Utility Company
	PCE credit	18.32	91.60	137.40	
	Customer bill	23.99	59.99	63.74	
Glennallen	Monthly bill	26.92	102.70	146.50	Copper Valley Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	26.92	102.70	146.50	
Gustavus	Monthly bill	47.00	235.00	352.50	Gustavus Electric, Inc.
	PCE credit	38.50	192.50	288.75	
	Customer bill	8.50	42.50	63.75	
Haines	Monthly bill	24.41	81.65	116.85	Haines Light & Power Company, Inc.
	PCE credit	5.17	25.85	38.78	
	Customer bill	19.24	55.80	78.07	
Halibut Cove	Monthly bill	20.31	57.56	81.83	Homer Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	20.31	57.56	81.83	
Healy	Monthly bill	19.29	56.46	75.32	Golden Valley Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	19.29	56.46	75.32	
Homer	Monthly bill	20.01	56.06	78.59	Homer Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	20.01	56.06	78.59	
Hoonah	Monthly bill	35.00	165.60	241.35	Tlingit-Haida Regional Electrical Authority
	PCE credit	21.86	109.30	163.95	
	Customer bill	13.14	56.30	77.40	
Hope	Monthly bill	12.87	39.36	55.92	Chugach Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	12.87	39.36	55.92	
Hydaburg	Monthly bill	23.73	103.45	153.27	Alaska Power & Telephone Company
	PCE credit	8.74	43.70	65.55	
	Customer bill	14.99	59.75	87.72	
Juneau	Monthly bill	13.40	39.00	55.00	Alaska Electric Light & Power Company
	PCE credit	N/A	N/A	N/A	
	Customer bill	13.40	39.00	55.00	
Kake	Monthly bill	35.00	165.60	241.35	Tlingit-Haida Regional Electrical Authority
	PCE credit	21.86	109.30	163.95	
	Customer bill	13.14	56.30	77.40	

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES (CONT.)

(As of June 30, 1989 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	750 KWH	UTILITY SERVING COMMUNITY
Kasaan	Monthly bill	35.00	165.60	241.35	Tlingit-Haida Regional
	PCE credit	21.86	109.30	163.95	Electrical Authority
	Customer bill	13.14	56.30	77.40	
Kenai	Monthly bill	20.01	56.06	78.59	Homer Electric
	PCE credit	N/A	N/A	N/A	Association, Inc.
	Customer bill	20.01	56.06	78.59	
Klawock	Monthly bill	35.00	165.60	241.35	Tlingit-Haida Regional
	PCE credit	21.86	109.30	163.95	Electrical Authority
	Customer bill	13.14	56.30	77.40	
Kodiak	Monthly bill	21.12	75.58	109.63	Kodiak Electric
	PCE credit	N/A	N/A	N/A	Association, Inc.
	Customer bill	21.12	75.58	109.63	
Kotzebue	Monthly bill	27.34	90.46	129.91	Kotzebue Electric
	PCE credit	6.54	32.70	49.05	Association, Inc.
	Customer bill	20.80	57.76	80.86	
Manley Hot Springs	Monthly bill	61.43	267.15	395.73	Manley Utility Company,
	PCE credit	38.29	191.45	287.18	Inc.
	Customer bill	23.14	75.70	108.55	
McGrath	Monthly bill	35.52	166.10	241.65	McGrath Light & Power
	PCE credit	23.72	118.60	177.90	Company
	Customer bill	11.80	47.50	63.75	
Moose Pass	Monthly bill	12.87	39.36	55.92	Chugach Electric
	PCE credit	N/A	N/A	N/A	Association, Inc.
	Customer bill	12.87	39.36	55.92	
Napakiak	Monthly bill	47.00	235.00	352.50	Napakiak Ircinaq Power
	PCE credit	38.50	192.50	288.75	Company
	Customer bill	8.50	42.50	63.75	
Nenana	Monthly bill	19.29	56.46	75.32	Golden Valley Electric
	PCE credit	N/A	N/A	N/A	Association, Inc.
	Customer bill	19.29	56.46	75.32	
Ninilchik	Monthly bill	20.01	56.06	78.59	Homer Electric
	PCE credit	N/A	N/A	N/A	Association, Inc.
	Customer bill	20.01	56.06	78.59	
North Pole	Monthly bill	19.29	56.46	75.32	Golden Valley Electric
	PCE credit	N/A	N/A	N/A	Association, Inc.
	Customer bill	19.29	56.46	75.32	
Northway	Monthly bill	25.97	129.85	194.78	Northway Power & Light
	PCE credit	17.47	87.35	131.03	Inc.
	Customer bill	8.50	42.50	63.75	
Palmer	Monthly bill	18.92	54.62	76.93	Matanuska Electric
	PCE credit	N/A	N/A	N/A	Association, Inc.
	Customer bill	18.92	54.62	76.93	
Pelican	Monthly bill	15.10	75.50	113.25	Pelican Utility Company
	PCE credit	2.99	14.95	22.43	
	Customer bill	12.11	60.55	90.82	

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES (CONT.)

(As of June 30, 1989 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	750 KWH	UTILITY SERVING COMMUNITY
Port Graham	Monthly bill	20.31	57.56	81.83	Homer Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	20.31	57.56	81.83	
Port Lions	Monthly bill	21.12	75.58	109.63	Kodiak Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	21.12	75.58	109.63	
Red Devil	Monthly bill	54.40	272.00	408.00	Middle Kuskokwim Electric Cooperative, Inc.
	PCE credit	37.64	188.20	282.30	
	Customer bill	16.76	83.80	125.70	
Sand Point	Monthly bill	33.07	137.67	203.05	Sand Point Electric, Inc.
	PCE credit	17.53	87.65	131.48	
	Customer bill	15.54	50.02	71.57	
Seldovia	Monthly bill	20.31	57.56	81.83	Homer Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	20.31	57.56	81.83	
Skagway	Monthly bill	24.42	85.05	121.05	Alaska Power & Telephone Company
	PCE credit	4.84	24.20	36.30	
	Customer bill	19.58	60.85	84.75	
Sleetmute	Monthly bill	54.40	272.00	408.00	Middle Kuskokwim Electric Cooperative., Inc.
	PCE credit	37.64	188.20	282.30	
	Customer bill	16.76	83.80	125.70	
Soldotna	Monthly bill	20.01	56.06	78.59	Homer Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	20.01	56.06	78.59	
Sterling	Monthly bill	20.01	56.06	78.59	Homer Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	20.01	56.06	78.59	
Stony River	Monthly bill	54.40	272.00	408.00	Middle Kuskokwim Electric Cooperative, Inc.
	PCE credit	37.64	188.20	282.30	
	Customer bill	16.76	83.80	125.70	
Talkeetna	Monthly bill	18.92	54.62	76.93	Matanuska Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	18.92	54.62	76.93	
Tanana	Monthly bill	41.40	195.90	284.15	Tanana Power Company, Inc.
	PCE credit	17.95	89.75	134.63	
	Customer bill	23.45	106.15	149.52	
Teller	Monthly bill	53.75	268.75	403.13	Teller Power Company, Inc.
	PCE credit	40.37	201.85	302.78	
	Customer bill	13.38	66.90	100.35	
Tok/Dot Lake	Monthly bill	22.78	99.01	144.64	Alaska Power & Telephone Company
	PCE credit	4.43	22.15	33.23	
	Customer bill	18.35	76.86	111.41	
Unalakleet	Monthly bill	25.90	113.50	168.25	Matanuska Electric Association, Inc.
	PCE credit	10.40	52.00	78.00	
	Customer bill	15.50	61.50	90.25	

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES (CONT.)

(As of June 30, 1989 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	750 KWH	UTILITY SERVING COMMUNITY
Valdez	Monthly bill	23.92	89.60	129.75	Copper Valley Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	23.92	89.60	129.75	
Wasilla	Monthly bill	18.92	54.62	76.93	Matanuska Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	18.92	54.62	76.93	
Whittier	Monthly bill	12.87	39.36	55.92	Chugach Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	12.87	39.36	55.92	
Willow	Monthly bill	18.92	54.62	76.93	Matanuska Electric Association, Inc.
	PCE credit	N/A	N/A	N/A	
	Customer bill	18.92	54.62	76.93	
Yakutat	Monthly bill	24.21	99.25	142.28	Yakutat Power, Inc.
	PCE credit	8.16	40.80	61.20	
	Customer bill	16.05	58.45	81.08	

1988 KILOWATT-HOUR SALES
REGULATED ELECTRIC UTILITIES

	KILOWATT-HOUR SALES		
	Residential	Commercial and Other	Total
Alaska Electric Generation & Transmission, Inc.	-0-	422,065,859	422,065,859
Alaska Electric Light & Power Company	105,072,000	116,555,000	221,627,000
Alaska Power & Telephone Company	7,086,000	15,728,000	22,814,000
Alaska Village Electric Cooperative, Inc.	13,771,252	19,928,194	33,699,446
Andreanof Electric Corporation	(Not Reported Separately)		191,853
Aniak Light and Power Company, Inc.	617,213	1,036,444	1,653,657
Arctic Utilities, Inc.	-0-	14,100,000	14,100,000
Barrow Utilities and Electric Cooperative, Inc.	5,319,000	25,576,000	30,895,000
Bethel Utilities Corporation, Inc.	8,206,031	19,752,707	27,958,738
Bettles Light & Power, Inc.	138,400	689,300	827,700
Chugach Electric Association, Inc.	458,900,000	1,475,161,000	1,934,061,000
Copper Valley Electric Association, Inc.	12,026,000	32,548,000	44,574,000
Far North Utilities	56,481	280,783	337,264
G & K, Inc.	467,143	2,875,833	3,342,976
Golden Valley Electric Association, Inc.	192,223,000	264,720,000	456,943,000
Gwitchyaa Zhee Utility Company	473,027	1,459,594	1,932,621
Haines Light & Power Company, Inc.	3,366,242	4,964,707	8,330,949
Homer Electric Association, Inc.	133,239,000	265,663,000	398,902,000
I-N-N Electric Cooperative, Inc.[1]	633,600	1,076,100	1,709,700
Kodiak Electric Association, Inc.	22,404,000	78,144,000	100,548,000

[1]Deregulated in 1989.

1988 KILOWATT-HOUR SALES
REGULATED ELECTRIC UTILITIES (CONT.)

	KILOWATT-HOUR SALES		
	Residential	Commercial and Other	Total
Kotzebue Electric Association, Inc.	5,032,000	9,127,000	14,159,000
Levelock Electric Cooperative, Inc.[2]	163,604	122,896	286,500
Manley Utility Company, Inc.	132,198	133,617	265,815
Matanuska Electric Association, Inc.	269,252,000	144,335,000	413,587,000
McGrath Light & Power Company	780,121	1,895,943	2,676,064
Middle Kuskokwim Electric Cooperative, Inc.	245,411	539,628	785,039
Municipal Light & Power Department, Municipality of Anchorage d/b/a	150,477,000	669,271,000	819,748,000
Napakiak Ircinaq Power Company	262,161	234,331	496,492
Northway Power & Light, Inc.	727,891	554,478	1,282,369
Pelican Utility Company	448,301	2,713,598	3,161,899
Sand Point Electric, Inc.	1,585,015	2,497,789	4,082,804
Tanana Power Company, Inc.	730,217	879,749	1,609,966
Teller Power Company, Inc.	(Not Reported Separately)		556,182
Tlingit-Haida Regional Electrical Authority	4,966,000	4,826,000	9,792,000
Yakutat Power, Inc.	1,934,498	2,681,501	4,615,999

[2]Deregulated in 1989.

POWER COST EQUALIZATION

Power Cost Equalization (PCE) is a program under which the State of Alaska pays a portion of the electric bills for consumers served by utilities participating in the program. Participation in the PCE program is limited by statute to utilities meeting certain requirements. For example, during 1984 a utility must have used diesel-fired generators to produce more than 75 percent of the electrical consumption of the utility; and if a utility served a single community, its 1983 residential sales eligible for PCE could not have exceeded 7,500,000 kilowatt-hours (kWh).

The Commission sets the PCE amount (cents/kWh) applicable to each utility's customers, regardless of whether the utility is otherwise subject to the Commission's economic regulation. The PCE amount varies according to the utility's rates and its costs of producing electricity. In most cases, the PCE per kWh is the same for all the customers of a utility, but it may vary by rate schedule.

Generally PCE reduces the cost for each kWh up to 750 kWh per month per customer. Customers designated as "community facilities" are entitled to PCE in the aggregate for each community served by the utility for actual consumption up to 70 kWh per month for each resident of the community. For example, if a utility served one community with a population of 150 and two community facilities, those two community facilities together would be entitled to PCE for their total consumption up to 10,500 kWh per month.

The chart below shows the utilities participating in the PCE program as of June 30, 1989, and the PCE amount applicable to their residential customers.

PCE PARTICIPANT	PCE AMOUNT (cents/kWh)
Akhiok, City of	30.55
Akiachak Native Community Electric Company	22.07
Akiak, City of	20.07
Akutan, City of	28.50
Alaska Power & Telephone Company	
-Craig	4.15
-Hydaburg	8.74
-Skagway	4.84
-Tok	4.43
Alaska Village Electric Cooperative, Inc.	25.93
Allakaket City Energy Systems	29.17
Alutiiq Power Company	30.28
Andreanof Electric Corporation	16.45
Aniak Light and Power Company, Inc.	25.04
Arctic Village Electric Co.	25.38
Atmautluak Joint Utilities	22.95
Beaver Village Electrical Utilities, Beaver Village Council d/b/a	33.93
Bethel Utilities Corporation, Inc.	6.87

POWER COST EQUALIZATION (CONT.)

PCE PARTICIPANT	PCE AMOUNT (cents/kWh)
Bettles Light & Power, Inc.	29.82
Birch Creek Village Electric Company	24.09
Brevig Mission	22.12
Buckland City Council	17.00
Chalkyitsik Energy Systems	40.91
Chefornak Electric Company	15.63
Chenega Bay IRA Village Council	18.13
Chignik, City of	10.31
Chignik Lake Electric Utility, Inc.	14.87
Chitina Electric, Inc.	21.80
Circle Electric, Richard Hutchinson d/b/a	36.50
Clarks Point Electric Utility	21.44
Coffman Cove Utilities Assn., Inc.	7.72
Cordova Electric Cooperative, Inc.	7.03
Diomede, City of	15.32
Eagle Power Company, Inc., Ralph E. Helmer d/b/a	21.76
Eagle Village Energy Systems	41.80
Egegik Light and Power, Homer Lee Leonard d/b/a	35.46
Ekwok Electric	21.50
Elfin Cove	14.58
False Pass Electric Association	19.58
Far North Utilities	27.68
G & K, Inc.	22.93
Galena, City of	14.34
Golovin, City of	22.36
Gustavus Electric, Inc.	37.54
Gwitchyaa Zhee Utility Company	18.32
Haines Light & Power Co., Inc.	4.42
Hughes Power & Light Company	37.03
Igiugig Village Council	41.80
I-N-N Electric Cooperative, Inc.	32.42

POWER COST EQUALIZATION (CONT.)

PCE PARTICIPANT	PCE AMOUNT (cents/kWh)
Ipnatchiaq Electric Company	19.90
King Cove, City of	10.37
Kobuk Village Electric	27.23
Kokhanok Village	35.08
Koliganek Village Council	18.33
Kotlik, City of	9.41
Kotzebue Electric Association, Inc.	6.54
Koyukuk, City of	8.81
Kuiggluum Kallugvia, Kwethluk, Inc. d/b/a	22.41
Kwig Power Company	22.11
Larsen Bay, City of	19.82
Levelock Electric Cooperative, Inc.	28.90
Manley Utility Company, Inc.	38.29
Manokotak Power Company	9.52
Matanuska Electric Association, Inc. -Unalakleet	10.40
McGrath Light & Power Company	23.72
Middle Kuskokwim Electric Cooperative, Inc.	37.64
Naknek Electric Association, Inc.	9.84
Napakiak Ircinaq Power Company	38.50
Napaskiak, Inc.	38.46
Nelson Lagoon Electric Cooperative, Inc.	17.90
Nightmute Light Plant	14.33
Nikolai, City of	23.18
Nome Joint Utility System	5.55
North Slope Borough Power and Light System, North Slope Borough d/b/a	6.50
Northway Power & Light, Inc.	17.47
Nushagak Electric Cooperative, Inc.	7.39
Ouzinkie, City of	11.92
Pedro Bay Village Council	41.80
Pelican Utility Company	2.99

POWER COST EQUALIZATION (CONT.)

PCE PARTICIPANT	PCE AMOUNT (cents/kWh)
Perryville, City of	15.65
Pilot Point Village Council	21.56
Port Heiden, City of	11.39
Puvurnaq Power Company	29.71
Rampart Village Council	41.80
Ruby, City of	23.91
St. George Municipal Electric Utility	24.39
St. Paul, City of	11.08
Sand Point Electric, Inc.	17.53
Sheldon Point Electric Company	19.74
Stevens Village Council	29.18
Takotna Community Association, Inc.	27.79
Tanana Power Company, Inc.	17.95
Tatitlek	10.66
Telida Village Utility	41.80
Teller Power Company, Inc.	40.37
Tenakee Springs, City of	25.75
Tetlin Village Energy System	26.50
Thorne Bay, City of	9.62
Tlingit-Haida Regional Electrical Authority	21.86
Tulkisarmute, Inc.	21.50
Tuntutuliak Community Services Association	22.63
Umnak Power Company, Native Village of Nikolski d/b/a	26.64
Unalaska, City of	3.06
Ungusraq Power Company	33.72
Venetie Village Council	26.12
White Mountain, City of	21.67
Yakutat Power, Inc.	8.16

CERTIFICATED GAS UTILITIES

Alaska Pipeline Company

Barrow Utilities and Electric Cooperative, Inc.

ENSTAR Natural Gas Company (a division of Seagull Energy Corporation)[1]

*Kenai, City of

Mountain Alaska Energy, Inc.

Norgasco, Inc.

CERTIFICATED STEAM HEAT UTILITY

*Fairbanks Municipal Utilities System, City of Fairbanks d/b/a

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[1]ENSTAR Natural Gas Company provides service to Anchorage, Chugiak, Eagle River, Eklutna, Kenai, Nikiski, Palmer, Peters Creek, Soldotna, Sterling, and Wasilla.

GAS UTILITIES
(1988 Calendar Year)

Utility	Net Plant	Revenues: Total Revenues	Revenues: Net Income	Users
(Gross Operating Revenue Greater Than $5,000,000)				
ENSTAR Natural Gas Company[1] (a division of Seagull Energy Corporation)	$158,010,612	$111,975,290	$10,057,876	79,328
Subtotal	$158,010,612	$111,975,290	$10,057,876	79,328
(Gross Operating Revenue Greater Than $500,000 but Less Than $1,500,000)				
Barrow Utilities and Electric Cooperative, Inc.	$ 672,456	$ 803,108	$ 33,440	934
Subtotal	$ 672,456	$ 803,108	$ 33,440	934
TOTALS	$158,683,068	$112,778,398	$10,091,316	80,262

SAMPLE MONTHLY RESIDENTIAL GAS RATES
(As of June 30, 1989)

COMMUNITY	MINIMUM BILL	AVERAGE BILL	APPROXIMATELY AVERAGE MONTHLY CONSUMPTION (MCF)	UTILITY SERVING COMMUNITY
Anchorage	$ 4.50	58.58	16.2	ENSTAR Natural Gas Company
Barrow	11.00	34.58	18.1	Barrow Utilities and Electric Cooperative, Inc.
Eagle River	4.50	58.58	16.2	ENSTAR Natural Gas Company
Kenai	4.50	58.58	16.2	ENSTAR Natural Gas Company
Palmer	4.50	58.58	16.2	ENSTAR Natural Gas Company
Soldotna	4.50	58.58	16.2	ENSTAR Natural Gas Company
Wasilla	4.50	58.58	16.2	ENSTAR Natural Gas Company

[1]Combined for ENSTAR Natural Gas Company and Alaska Pipeline Company.

CERTIFICATED REFUSE AND GARBAGE UTILITIES

*All Alaska Enterprises,
Mike Downs d/b/a[1]
*Alma Corporation
*Anchorage, Municipality of
Anchorage Refuse, Inc.
*Aniak Disposal Service,
Ronald N. Choate d/b/a
*Beluga Environmental Services, Inc.
*Bob's Disposal Service,
Bobby C. Pate d/b/a
*C & S Enterprises[2]
Channel Sanitation Corporation[3]
*Colville Environmental Services
*Copper Valley Construction Company[4]
*Delta Sanitation,
Joe Peters d/b/a
*Dillingham Refuse, Inc.
Drake's Sanitation, Inc.
Eagle River Refuse, Inc.[5]
*Fairbanks, City of
Department of Public Works
Far North Sanitation Service, Inc.[6]
*Haines Sanitation,
Frank E. & Arla L. Shull d/b/a
Interior Services,
Ralph E. Bartlett d/b/a
*Irwin's Garbage Disposal,
Jennie Irwin d/b/a[7]

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[1]All Alaska Enterprises provides service to Lake Louise, Sutton, and Talkeetna.

[2]C & S Enterprises provides service to Kalifonsky, Kasilof, Kenai, Salamatof, Soldotna, and Sterling.

[3]Channel Sanitation Corporation provides service to Douglas, Juneau, and Sterling.

[4]Copper Valley Construction Company provides service to Copper Center, Glennallen, and Lake Louise.

[5]Eagle River Refuse, Inc., provides service to Chugiak, Eagle River, and Peters Creek.

[6]Far North Sanitation Service, Inc., provides service to College and Fairbanks.

[7]Irwin's Garbage Disposal provides service to McKinley Park, Nenana, and Usibelli.

CERTIFICATED REFUSE AND GARBAGE UTILITIES (CONT.)

*J. D. Refuse Service,
Delores R. Burnham d/b/a
*Juneau Sanitation Corporation
*Ketchikan, City of
Kodiak Sanitation, Inc.
*MacKenzie Refuse[8]
*March Disposal,
Robert Marlow & George Chapman d/b/a
*Matanuska-Susitna Borough
*McGrath Trash and Refuse
*Naabia Niign, Ltd.
*North Slope Borough
*Palmer, City of
*Patterson Sanitation & Refuse
Service, Inc., Earl
Peninsula Sanitation Company, Inc.[9]
*Petersburg, City of
*Seward Service,
Herman E. Leirer d/b/a
*Skagway, City of
*Sitka, City and Borough of
*Sutton Sanitation Services[10]
*Thorne Bay, City of
Tongass Sanitation,
Wallace A. & Diana L. Crowe d/b/a
*Valdez Alaska Terminals, Inc.
*Valley Refuse, Paul B. Robinson and
Shonda Robinson d/b/a[11]
Wasilla Refuse, Inc.[12]
Williwaw Services, Inc.

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[8]MacKenzie Refuse provides service to Big Lake, Point MacKenzie, and Wasilla.

[9]Peninsula Sanitation Company, Inc., provides service to Anchor Point, Bird, Clam Gulch, Cooper Landing, Girdwood, Homer, Hope, Indian, Kachemak, Kalifonsky, Kasilof, Kenai, Moose Pass, Nikiski, Nikolski, Portage, Salamatof, Soldotna, Sterling, and Sunrise.

[10]Sutton Sanitation Services provides service to Chikaloon, Sutton, and Wasilla.

[11]Valley Refuse provides service to Big Lake, Houston, Knik, and Wasilla.

[12]Wasilla Refuse, Inc., provides service to Lake Louise, Palmer, Sutton, Talkeetna, Wasilla, and Willow.

REFUSE AND GARBAGE UTILITIES
(1988 Calendar Year)

Utility	Net Plant	Revenues: Total Revenues	Revenues: Net Income	Customers
(Gross Operating Revenue Greater Than $200,000)				
Anchorage Refuse, Inc.	$2,587,832	$ 9,990,365	$825,355	25,283
Channel Sanitation Corporation	178,594	2,192,113	<538,207>	5,197
Drake's Sanitation, Inc.[1]	68,162	451,548	16,949	169
Eagle River Refuse, Inc.	162,613	1,007,437	<30,294>	4,074
Far North Sanitation, Inc.	1,471,763	881,540	155,525	654
Interior Services, Ralph E. Bartlett d/b/a	755,822	544,881	<144,663>	245
Kodiak Sanitation, Inc.		(Not Reported)		
Peninsula Sanitation Company, Inc.[2]	49,850	1,300,012	<155,558>	1,559
Tongass Sanitation, Wallace A. & Diana L. Crowe d/b/a	58,334	525,940	67,041	516
Wasilla Refuse, Inc.[3]	57,876	530,270	<31,076>	702
Williwaw Services, Inc.[4]	20,295	241,732	2,519	67
TOTAL	$5,411,141	$17,665,838	$167,591	38,466

[1]Information presented for year ending 4/30/88.

[2]Information presented for year ending 3/31/89.

[3]See n. 2.

[4]See n. 2.

SAMPLE MONTHLY RESIDENTIAL REFUSE RATES
(As of June 30, 1988)

COMMUNITY	1 RECEPTACLE 1 PICK-UP/ WEEK	2 RECEPTACLES 1 PICK-UP/ WEEK	UTILITY
Anchorage	$ 14.04	$ 14.04	Anchorage Refuse, Inc.
Eagle River	14.37	14.37	Eagle River Refuse, Inc.
Fairbanks	9.25	9.25	Far North Sanitation Service, Inc.
Fairbanks	12.00	12.00	Drake's Sanitation, Inc.
Fairbanks	8.05	8.05	Interior Services, Ralph E. Bartlett d/b/a
Girdwood/Alyeska	13.23	13.23	Peninsula Sanitation Company, Inc.
Homer	10.28	10.28	Peninsula Sanitation Company, Inc.
Hope-Turnagain Arm	13.23	13.23	Peninsula Sanitation Company, Inc.
Juneau	21.85	21.85	Channel Sanitation Corporation
Kenai	10.13	10.13	Peninsula Sanitation Company, Inc.
Ketchikan	15.00	15.00	Tongass Sanitation, Wallace A. & Diana L. Crowe d/b/a
Kodiak	5.50	5.50	Kodiak Sanitation, Inc.
Mat-Su Valley	20.00	20.00	Wasilla Refuse, Inc.
Unalaska	15.00	30.00	Williwaw Services, Inc.

CERTIFICATED SEWER (WASTEWATER) UTILITIES

Anchorage Water and Wastewater Utility,
Municipality of Anchorage d/b/a[1]
Barrow Utilities and Electric
Cooperative, Inc.
College Utilities Corp.
*Copper Valley Construction Company
*Cordova, City of
*Craig, City of
*Dillingham, City of
*Fairbanks Municipal Utilities System,
City of Fairbanks d/b/a
*Galena, City of
*Haines, City of
*Homer, City of
*Hoonah, City of
*Juneau, City and Borough of
*Kake, City of
*Kenai, City of
*Ketchikan, City of
*Ketchikan Gateway Borough
*Kodiak, City of
*Kotzebue Municipal Utilities,
City of Kotzebue d/b/a
*Nenana, City of
*Nome Joint Utility Systems
*North Pole Utility,
City of North Pole d/b/a
*North Slope Borough Utilities[2]

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[1]Anchorage Water and Wastewater Utility provides service to Anchorage, Eagle River, and Girdwood.

[2]North Slope Borough Utilities provides service to Anaktuvuk Pass, Atkasuk, Deadhorse, Kaktovik, Nuiqsut, Point Hope, Point Lay, Prudhoe Bay, and Wainwright.

CERTIFICATED SEWER (WASTEWATER) UTILITIES (CONT.)

*Palmer, City of
*Petersburg, City of
*Rangeview Utilities
Salmantof Utilities, Inc.
*Saxman, City of
*Seldovia, City of
Settlers Bay Properties, Inc.
*Seward, City of
*Sitka, City and Borough of
*Skagway, City of
*Soldotna, City of
*Thorne Bay, City of
*Unalaska, City of
*Valdez, City of
*Wasilla, City of
*Whittier, City of
*Wrangell, City of

*Not regulated by Alaska Public Utilities Commission as to rates and services.

SEWER (WASTEWATER) UTILITIES
(1988 Calendar Year)

Utility	Net Plant[1]	Revenues: Total Revenues	Revenues: Net Income	Users
(Gross Operating Revenue Greater Than $1,000,000)				
Anchorage Water and Wastewater Utility, Municipality of Anchorage d/b/a	$55,560,227	$17,112,124	$<1,945,545>	57,500
College Utilities Corp.[2]	2,300,420	1,270,205	78,223	1,575
Subtotal	$57,860,647	$18,382,329	$<1,867,322>	58,875
(Gross Operating Revenue Less Than $1,000,000)				
Barrow Utilities and Electric Cooperative, Inc.	$----------[3]	$ 572,437	$ 3,912	419
Salmantof Utilities, Inc.		(Not Reported)		
Settlers Bay Properties, Inc.	-0-	113	<6,303>	22
Subtotal	$ -0-	$ 572,550	$ <2,391>	441
TOTALS	$57,860,647	$18,954,879	$<1,869,713>	59,316

SAMPLE MONTHLY RESIDENTIAL SEWER (WASTEWATER) RATES
(As of June 30, 1989)

COMMUNITY	FLAT RATE	UTILITY SERVING COMMUNITY
Anchorage Eagle River Girdwood	$ 18.85	Anchorage Water and Wastewater Utility, Municipality of Anchorage d/b/a
Fairbanks	34.26[4]	College Utilities Corp.
Kenai	13.50	Salmantof Utilities, Inc.
Settlers Bay	10.85	Settlers Bay Properties, Inc.

[1]Net of contributions-in-aid-of-construction which consist of assessments or grants from customers or other sources which are used to fund plant construction costs.

[2]Information presented for year ended 11/30/88.

[3]Sewer plant not segregated from electric, gas, water, or general plant.

[4]Average single-family metered bill.

TELECOMMUNICATIONS UTILITIES

CERTIFICATED TELEPHONE UTILITIES

Alascom, Inc.
Anchorage Telephone Utility,
Municipality of Anchorage d/b/a[1]
Arctic Slope Telephone Association
Cooperative, Inc.[2]
Bettles Telephone, Inc.[3]
Bristol Bay Telephone Cooperative, Inc.[4]
Bush-Tell, Incorporated[5]
Copper Valley Telephone Cooperative, Inc.[6]
*Cordova Telephone Cooperative, Inc.
*Fairbanks Municipal Utilities System,
City of Fairbanks d/b/a[7]
GTE Alaska Incorporated[8]
Interior Telephone Company[9]

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[1]Anchorage Telephone Utility provides service to Anchorage, Bird, Girdwood, Hope, Indian, and Portage.

[2]Arctic Slope Telephone Association Cooperative, Inc., provides service to Anaktuvuk Pass, Atkasuk, Deadhorse, Kaktovik, Nuiqsut, Point Hope, Point Lay, and Wainwright.

[3]Bettles Telephone, Inc., provides service to Bettles and Evansville.

[4]Bristol Bay Telephone Cooperative, Inc., provides service to Ekwok, Igiugig, King Salmon, Koliganek, Levelock, Naknek, and New Stuyahok.

[5]Bush-Tell, Inc., provides service to Aniak, Anvik, Crooked Creek, Grayling, Holy Cross, Kalskag, Lower Kalskag, Red Devil, Shageluk, Sleetmute, Stony River, and Upper Kalskag.

[6]Copper Valley Telephone Cooperative, Inc., provides service to Chistochina, Chitina, Copper Center, Gakona, Glennallen, Gulkana, Kenny Lake, Mentasta, Nelchina, Paxson, Slana, Tatitlek, Tonsina, and Valdez.

[7]Fairbanks Municipal Utilities System provides service to College, Fairbanks, and Fox.

[8]GTE of Alaska provides service to Barrow, Bethel, Haines, Hyder, Klukwan, McGrath, Metlakatla, Moose Pass, Nome, Petersburg, Seward, Unalakleet, and Wrangell.

[9]Interior Telephone Company provides service to Cold Bay, Cooper Landing, Ft. Yukon, Galena, Iliamna, King Cove, Port Lions, Sand Point, and Unalaska.

TELECOMMUNICATIONS UTILITIES

CERTIFICATED TELEPHONE UTILITIES (CONT.)

*Ketchikan, City of
Keyes Point Communications, Inc.
Matanuska Telephone Association, Inc.[10]
Mukluk Telephone Company, Inc.[11]
National Utilities, Inc.[12]
*North Country Telephone Company
Nushagak Telephone Cooperative, Inc.[13]
OTZ Telephone Cooperative, Inc.[14]
Summit Telephone Company,
The Summit Telephone & Telegraph
Company of Alaska d/b/a[15]
Telephone Utilities of Alaska, Inc.[16]

Not regulated by Alaska Public Utilities Commission as to rates and services.

[10]Matanuska Telephone Association, Inc., provides service to Anderson, Big Lake, Cantwell, Chickaloon, Chugiak, Clear, Eagle River, Eklutna, Healy, Houston, Kantishna, McKinley Park, Montana, Palmer, Peters Creek, Petersville, Point MacKenzie, Rex, Sutton, Talkeetna, Tyonek, Usibelli, Wasilla, and Willow.

[11]Mukluk Telephone Company, Inc., provides service to Brevig Mission, Council, Elim, Golovin, Koyuk, Little Diomede, Saint Michael, Shaktoolik, Shishmaref, Stebbins, Teller, Wales, and White Mountain.

[12]National Utilities, Inc., provides service to Craig, Dot Lake, Hollis, Hydaburg, Skagway, Tanacross, Tetlin, and Tok.

[13]Nushagak Telephone Cooperative, Inc., provides service to Aleknagik, Clark's Point, Dillingham, Ekuk, and Manokotak.

[14]OTZ Telephone Cooperative, Inc., provides service to Ambler, Bornite, Buckland, Candle, Chicago Creek, Deering, Fink Creek, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, and Shungnak.

[15]Summit Telephone Company provides service to Chatanika and Cleary Summit.

[16]Telephone Utilities of Alaska, Inc., provides service to Douglas, Ft. Wainwright, Juneau, and Sterling.

CERTIFICATED TELEPHONE UTILITIES (CONT.)

Telephone Utilities of the Northland, Inc.[17]
United Utilities, Inc.[18]
Yukon Telephone Company, Inc.[19]

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[17]Telephone Utilities of the Northland, Inc., provides service to Akhiok, Akutan, Allakaket, Anchor Point, Angoon, Atka, Bartlett Cove, Birch Lake, Border City, Chatham, Chignik, Chignik Lagoon, Chignik Lake, Chiniak, Clam Gulch, Coffman Cove, Cube Cove, Delta Junction, Egegik, Elfin Cove, English Bay, False Pass, Ft. Greely, Gustavus, Halibut Cove, Harding Lake, Hobart Bay, Homer, Hoonah, Hughes, Huslia, Ivanof Bay, Kachemak, Kaguyak, Kake, Kalifonsky, Kaltag, Karluk, Kasaan, Kasilof, Kenai, Klawock, Kodiak, Kokhanok, Koyukuk, Larsen Bay, Long Island, Meshik, Mt. Edgecumbe, Nelson Lagoon, Nenana, Nikiski, Nikolaevski, Nikolski, Ninilchik, Nondalton, North Kenai, North Pole, Northway, Nulato, Old Harbor, Ouzinkie, Pedro Bay, Pelican, Perryville, Pilot Point, Point Baker, Port Alexander, Port Alsworth, Port Graham, Port Protection, Portage Creek, Saint George, Saint Paul, Salamatof, Seldovia, Sitka, Soldotna, Sterling, Tenakee Springs, Thorne Bay, Womens Bay, and Yakutat.

[18]United Utilities, Inc., provides service to Akiachak, Akiak, Alakanuk, Arctic Village, Atmautluak, Beaver, Birch Creek, Central, Chalkyitsik, Chuathbaluk, Chefornak, Chevak, Circle Hot Springs, Eek, Emmonak, Gambell, Goodnews Bay, Hooper Bay, Kasigluk, Kipnuk, Kongiganak, Kotlik, Kwethluk, Kwigillingok, Lime Village, Manley Hot Springs, Marshall, Mekoryuk, Minto, Mountain Village, Napakiak, Napaskiak, New Chenega Bay, Newtok, Nightmute, Nikolai, Nunapitchuk, Oscarville, Pilot Station, Platinum, Quinhagak, Rampart, Russian Mission, Saint Marys Savoonga, Scammon Bay, Sheldon Point, Stevens Village, Takotna, Telida, Togiak, Toksook Bay, Tuluksak, Tuntutuliak, Tununak, Twin Hills, Venetie.

[19]Yukon Telephone Company, Inc., provides service to Ruby, Tanana, and Whittier.

TELECOMMUNICATION UTILITIES
(Long Lines and Local Exchange Carriers)
(1988 Calendar Year)

Utility	Net Plant	Revenues		Main Access Lines
		Total Revenues	Net Income	
(Gross Operating Revenue Greater Than $4,000,000)				
Alascom, Inc.	$293,503,762	$283,793,081	$44,392,446	N/A
Anchorage Telephone Utility, Municipality of Anchorage d/b/a	211,802,186	81,137,836	4,215,085	115,642
GTE Alaska Incorporated	12,907,000	8,098,000	1,006,000	12,620
Interior Telephone Company	13,152,125	4,786,067	16,828	2,432
Matanuska Telephone Association, Inc.	105,199,856	31,942,000	2,165,000	27,347
Telephone Utilities of Alaska, Inc.	38,152,056	14,953,640	2,762,981	16,370
Telephone Utilities of the Northland, Inc.	133,179,815	44,721,381	7,579,226	36,885
United Utilities, Inc.	24,493,453	8,140,371	782,467	3,005
Subtotal	$832,390,253	$477,572,376	$62,920,033	214,301
(Gross Operating Revenue Greater Than $1,000,000 but Less Than $4,000,000)				
Arctic Slope Telephone Association Cooperative, Inc.	$ 6,929,717	$ 3,409,486	$ 669,145	1,314
Bristol Bay Telephone Cooperative, Inc.	4,942,933	1,558,334	41,859	1,120
Bush-Tell, Inc.	3,088,000	1,121,000	70,000	423
Copper Valley Telephone Cooperative, Inc.	10,326,617	3,437,439	1,218,763	2,810
Mukluk Telephone Company, Inc.	2,600,345	1,650,704	158,592	732
National Utilities, Inc.	1,862,000	1,626,000	363,000	1,694
Nushagak Telephone Cooperative, Inc.	2,555,878	1,704,297	106,838	1,464
OTZ Telephone Cooperative, Inc.	6,097,165	2,404,501	689,001	1,581
Subtotal	$ 38,402,655	$ 16,911,761	$ 3,317,198	11,138

TELECOMMUNICATION UTILITIES (CONT.)
(Long Lines and Local Exchange Carriers)
(1988 Calendar Year)

Utility	Net Plant	Revenues		Main Access Lines
		Total Revenues	Net Income	
(Gross Operating Revenue Less Than $1,000,000)				
Bettles Telephone, Inc.	$ 33,032	$ 105,855	$ 1,394	47
Summit Telephone Co.	(Not Reported)	93,786	7,370	36
Yukon Telephone Company, Inc.	1,514,505	657,016	<27,205>	338
Subtotal	$ 1,547,537	$ 856,657	$ <18,441>	421
TOTAL	$872,340,445	$495,340,794	$66,218,790	225,860

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES
(As of June 30, 1989)

As most consumers are aware, the regulation of the telephone industry has changed significantly during the 1980s. In 1980, for example, the rates shown in this section would have been based on the premise that the utility was responsible not only for providing consumers access to the telephone network but also for providing the telephone instruments and maintaining the telecommunications wiring inside a consumer's premises.

Responding to Federal Communications Commission directives issued in 1982, this Commission required all regulated local exchange utilities to unbundle (break down) their monthly telephone rates into separate components for customer-premised equipment, inside wiring, and access lines. Since that time, customer-premised equipment and inside wiring have been deregulated--customers now buy their own telephone instruments wherever they wish and are responsible for maintaining the telecommunications wiring inside their homes. The rates shown in the following chart are for access lines only and do not include any charge for inside wiring or telephone instruments.

COMMUNITY	ACCESS LINE	UTILITY SERVING COMMUNITY
Akhiok	$17.50	Telephone Utilities of the Northland, Inc.
Akiachak	19.23	United Utilities, Inc.
Akiak	19.23	United Utilities, Inc.
Akutan	17.50	Telephone Utilities of the Northland, Inc.
Alakanuk	19.23	United Utilities, Inc.
Allakaket	17.50	Telephone Utilities of the Northland, Inc.
Ambler	15.95	OTZ Telephone Cooperative, Inc.
Anaktuvuk Pass	7.30	Arctic Slope Telephone Association Cooperative, Inc.
Anchorage[1]	4.40	Anchorage Telephone Utility, Municipality of Anchorage d/b/a
Angoon	8.70	Telephone Utilities of the Northland, Inc.
Aniak	21.50	Bush-Tell, Incorporated
Anvik	21.50	Bush-Tell, Incorporated

[1]Anchorage Telephone Utility has eight zones in its Anchorage exchange. The access lines vary from $4.40 in Zone 1 to $9.15 in Zone A6.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of June 30, 1989)

COMMUNITY	ACCESS LINE	UTILITY SERVING COMMUNITY
Arctic Village	$19.23	United Utilities, Inc.
Atka	17.50	Telephone Utilities of the Northland, Inc.
Atkasuk	7.30	Arctic Slope Telephone Association Cooperative, Inc.
Atmautluak	19.23	United Utilities, Inc.
Barrow	11.70	GTE Alaska Incorporated
Beaver	19.23	United Utilities, Inc.
Bethel	10.80	GTE Alaska Incorporated
Big Lake	8.90	Matanuska Telephone Association, Inc.
Birch Creek	19.23	United Utilities, Inc.
Bird	7.80	Anchorage Telephone Utility, Municipality of Anchorage d/b/a
Border City	17.50	Telephone Utilities of the Northland, Inc.
Brevig Mission	14.20	Mukluk Telephone Company, Inc.
Buckland	15.95	OTZ Telephone Cooperative, Inc.
Candle	15.95	OTZ Telephone Cooperative, Inc.
Cantwell	8.90	Matanuska Telephone Association, Inc.
Central	19.23	United Utilities, Inc.
Chalkyitsik	19.23	United Utilities, Inc.
Chefornak	19.23	United Utilities, Inc.
Chevak	19.23	United Utilities, Inc.
Chignik	17.50	Telephone Utilities of the Northland, Inc.
Chignik Lagoon	17.50	Telephone Utilities of the Northland, Inc.
Chignik Lake	17.50	Telephone Utilities of the Northland, Inc.
Chitina	14.00	Copper Valley Telephone Cooperative, Inc.
Chuathbaluk	19.23	United Utilities, Inc.
Chugiak	13.80	Matanuska Telephone Association, Inc.
Circle Hot Springs	19.23	United Utilities, Inc.
Clark's Point	26.25	Nushagak Telephone Cooperative, Inc.
Clear	8.90	Matanuska Telephone Association, Inc.
Coffman Cove	17.50	Telephone Utilities of the Northland, Inc.
Cold Bay	24.40	Interior Telephone Company
Cooper Landing	27.90	Interior Telephone Company

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of June 30, 1989)

COMMUNITY	ACCESS LINE	UTILITY SERVING COMMUNITY
Craig	$ 8.60	National Utilities, Inc.
Crooked Creek	21.50	Bush-Tell, Incorporated
Cube Cove	38.40	Telephone Utilities of the Northland, Inc.
Deadhorse	7.30	Arctic Slope Telephone Association Cooperative, Inc.
Deering	15.95	OTZ Telephone Cooperative, Inc.
Delta Junction	22.86	Telephone Utilities of the Northland, Inc.
Dillingham	14.00	Nushagak Telephone Cooperative, Inc.
Dot Lake	10.95	National Utilities, Inc.
Douglas	6.11	Telephone Utilities of Alaska, Inc.
Eagle River	13.80	Matanuska Telephone Association, Inc.
Eek	19.23	United Utilities, Inc.
Egegik	17.50	Telephone Utilities of the Northland, Inc.
Ekuk	26.25	Nushagak Telephone Cooperative, Inc.
Ekwok	16.95	Bristol Bay Telephone Cooperative, Inc.
Elfin Cove	17.50	Telephone Utilities of the Northland, Inc.
Elim	14.20	Mukluk Telephone Company, Inc.
Emmonak	19.23	United Utilities, Inc.
English Bay	17.50	Telephone Utilities of the Northland, Inc.
False Pass	17.50	Telephone Utilities of the Northland, Inc.
Ft. Greely	22.86	Telephone Utilities of the Northland, Inc.
Ft. Richardson	5.25	Anchorage Telephone Utility, Municipality of Anchorage d/b/a
Ft. Wainwright	6.32	Telephone Utilities of Alaska, Inc.
Ft. Yukon	24.40	Interior Telephone Company
Galena	27.90	Interior Telephone Company
Gambell	19.23	United Utilities, Inc.
Girdwood	6.00	Anchorage Telephone Utility, Municipality of Anchorage d/b/a
Glacier View	20.90	Matanuska Telephone Association, Inc.
Glennallen	11.30	Copper Valley Telephone Cooperative, Inc.
Golovin	14.20	Mukluk Telephone Company, Inc.
Goodnews Bay	19.23	United Utilities, Inc.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of June 30, 1989)

COMMUNITY	ACCESS LINE	UTILITY SERVING COMMUNITY
Grayling	$21.50	Bush-Tell, Incorporated
Gustavus	8.70	Telephone Utilities of the Northland, Inc.
Haines	6.50	GTE Alaska Incorporated
Haines High-way Line	9.90	GTE Alaska Incorporated
Halibut Cove	17.50	Telephone Utilities of the Northland, Inc.
Healy	8.90	Matanuska Telephone Association, Inc.
Hobart Bay	17.50	Telephone Utilities of the Northland, Inc.
Holy Cross	21.50	Bush-Tell, Incorporated
Homer	14.16	Telephone Utilities of the Northland, Inc.
Hoonah	8.70	Telephone Utilities of the Northland, Inc.
Hooper Bay	19.23	United Utilities, Inc.
Hope	6.00	Anchorage Telephone Utility, Municipality of Anchorage d/b/a
Hughes	17.50	Telephone Utilities of the Northland, Inc.
Huslia	17.50	Telephone Utilities of the Northland, Inc.
Hydaburg	8.60	National Utilities, Inc.
Hyder	2.90	GTE Alaska Incorporated
Igiugig	16.95	Bristol Bay Telephone Cooperative, Inc.
Iliamna	27.90	Interior Telephone Company
Indian	7.80	Anchorage Telephone Utility, Municipality of Anchorage d/b/a
Ivanof Bay	17.50	Telephone Utilities of the Northland, Inc.
Juneau	6.11	Telephone Utilities of Alaska, Inc.
Kake	8.70	Telephone Utilities of the Northland, Inc.
Kakhonak	17.50	Telephone Utilities of the Northland, Inc.
Kaktovik	7.30	Arctic Slope Telephone Association Cooperative, Inc.
Kalskag	21.50	Bush-Tell, Incorporated
Kaltag	17.50	Telephone Utilities of the Northland, Inc.
Karluk	17.50	Telephone Utilities of the Northland, Inc.
Kasaan	17.50	Telephone Utilities of the Northland, Inc.
Kasigluk	19.23	United Utilities, Inc.
Kenai	18.71	Telephone Utilities of the Northland, Inc.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of June 30, 1989)

COMMUNITY	ACCESS LINE	UTILITY SERVING COMMUNITY
Kiana	$15.95	OTZ Telephone Cooperative, Inc.
King Cove	27.90	Interior Telephone Company
King Salmon	18.55	Bristol Bay Telephone Cooperative, Inc.
Kipnuk	19.23	United Utilities, Inc.
Kivalina	15.95	OTZ Telephone Cooperative, Inc.
Klawock	8.70	Telephone Utilities of the Northland, Inc.
Kobuk	15.95	OTZ Telephone Cooperative, Inc.
Kodiak	12.01	Telephone Utilities of the Northland, Inc.
Koliganek	16.95	Bristol Bay Telephone Cooperative, Inc.
Kongiganak	19.23	United Utilities, Inc.
Kotlik	19.23	United Utilities, Inc.
Kotzebue	15.95	OTZ Telephone Cooperative, Inc.
Koyuk	14.20	Mukluk Telephone Company, Inc.
Koyukuk	17.50	Telephone Utilities of the Northland, Inc.
Kwethluk	19.23	United Utilities, Inc.
Kwigillingok	19.23	United Utilities, Inc.
Larsen Bay	17.50	Telephone Utilities of the Northland, Inc.
Levelock	16.95	Bristol Bay Telephone Cooperative, Inc.
Long Island	39.40	Telephone Utilities of the Northland, Inc.
Manley Hot Springs	19.23	United Utilities, Inc.
Manokotak	26.25	Nushagak Telephone Cooperative, Inc.
Marshall	19.23	United Utilities, Inc.
McGrath	10.80	GTE Alaska Incorporated
Mekoryuk	19.23	United Utilities, Inc.
Mentasta	14.00	Copper Valley Telephone Cooperative, Inc.
Meshik	17.50	Telephone Utilities of the Northland, Inc.
Metlakatla	7.35	GTE Alaska Incorporated
Minto	19.23	United Utilities, Inc.
Moose Pass	9.05	GTE Alaska Incorporated
Mt. Edgecumbe	8.70	Telephone Utilities of the Northland, Inc.
Mt. Village	19.23	United Utilities, Inc.
Naknek	18.55	Bristol Bay Telephone Cooperative, Inc.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of June 30, 1989)

COMMUNITY	ACCESS LINE	UTILITY SERVING COMMUNITY
Napakiak	$19.23	United Utilities, Inc.
Napaskiak	19.23	United Utilities, Inc.
Nelson Lagoon	17.50	Telephone Utilities of the Northland, Inc.
Nenana	22.86	Telephone Utilities of the Northland, Inc.
New Chenega Bay	19.23	United Utilities, Inc.
New Stuyahok	16.95	Bristol Bay Telephone Cooperative, Inc.
Newtok	19.23	United Utilities, Inc.
Nightmute	19.23	United Utilities, Inc.
Nikolai	19.23	United Utilities, Inc.
Nikolski	17.50	Telephone Utilities of the Northland, Inc.
Ninilchik	18.71	Telephone Utilities of the Northland, Inc.
Noatak	15.95	OTZ Telephone Cooperative, Inc.
Nome	7.35	GTE Alaska Incorporated
Nondalton	17.50	Telephone Utilities of the Northland, Inc.
Noorvik	15.95	OTZ Telephone Cooperative, Inc.
North Kenai	18.71	Telephone Utilities of the Northland, Inc.
North Pole	22.86	Telephone Utilities of the Northland, Inc.
Northway	15.25	Telephone Utilities of the Northland, Inc.
Nuiqsut	7.30	Arctic Slope Telephone Association Cooperative, Inc.
Nulato	17.50	Telephone Utilities of the Northland, Inc.
Nunapitchuk	19.23	United Utilities, Inc.
Old Harbor	17.50	Telephone Utilities of the Northland, Inc.
Ouzinkie	17.50	Telephone Utilities of the Northland, Inc.
Palmer	8.90	Matanuska Telephone Association, Inc.
Pedro Bay	17.50	Telephone Utilities of the Northland, Inc.
Pelican	7.65	Telephone Utilities of the Northland, Inc.
Perryville	17.50	Telephone Utilities of the Northland, Inc.
Petersburg	9.05	GTE Alaska Incorporated
Pilot Point	17.50	Telephone Utilities of the Northland, Inc.
Pilot Station	19.23	United Utilities, Inc.
Platinum	19.23	United Utilities, Inc.
Point Baker	17.50	Telephone Utilities of the Northland, Inc.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of June 30, 1989)

COMMUNITY	ACCESS LINE	UTILITY SERVING COMMUNITY
Point Hope	$ 7.30	Arctic Slope Telephone Association Cooperative, Inc.
Point Lay	7.30	Arctic Slope Telephone Association Cooperative, Inc.
Port Alexander	17.50	Telephone Utilities of the Northland, Inc.
Port Alsworth	17.50	Telephone Utilities of the Northland, Inc.
Port Graham	17.50	Telephone Utilities of the Northland, Inc.
Port Lions	14.85	Interior Telephone Company
Port Protection	17.50	Telephone Utilities of the Northland, Inc.
Quinhagak	19.23	United Utilities, Inc.
Rampart	19.23	United Utilities, Inc.
Red Devil	21.50	Bush-Tell, Incorporated
Ruby	17.00	Yukon Telephone Company, Inc.
Russian Mission	19.23	United Utilities, Inc.
Sand Point	14.85	Interior Telephone Company
Savoonga	19.23	United Utilities, Inc.
Scammon Bay	19.23	United Utilities, Inc.
Selawik	15.95	OTZ Telephone Cooperative, Inc.
Seldovia	21.11	Telephone Utilities of the Northland, Inc.
Seward	9.05	GTE Alaska Incorporated
Shageluk	21.50	Bush-Tell, Incorporated
Shaktoolik	14.20	Mukluk Telephone Company, Inc.
Sheldon Point	19.23	United Utilities, Inc.
Shishmaref	14.20	Mukluk Telephone Company, Inc.
Shungnak	15.95	OTZ Telephone Cooperative, Inc.
Sitka	8.70	Telephone Utilities of the Northland, Inc.
Skagway	5.55	National Utilities, Inc.
Sleetmute	21.50	Bush-Tell, Incorporated
Soldotna	18.71	Telephone Utilities of the Northland, Inc.
South Naknek	18.55	Bristol Bay Telephone Cooperative, Inc.
Saint George	17.50	Telephone Utilities of the Northland, Inc.
Saint Marys	19.23	United Utilities, Inc.
Saint Michael	14.20	Mukluk Telephone Company, Inc.
Saint Paul	12.65	Telephone Utilities of the Northland, Inc.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of June 30, 1989)

COMMUNITY	ACCESS LINE	UTILITY SERVING COMMUNITY
Stebbins	$14.20	Mukluk Telephone Company, Inc.
Sterling	14.91	Telephone Utilities of Alaska, Inc.
Stevens Village	19.23	United Utilities, Inc.
Stony River	21.50	Bush-Tell, Incorporated
Takotna	19.23	United Utilities, Inc.
Talkeetna	8.90	Matanuska Telephone Association, Inc.
Tanana	17.00	Yukon Telephone Company, Inc.
Tatitlek	14.00	Copper Valley Telephone Cooperative, Inc.
Telida	19.23	United Utilities, Inc.
Teller	14.20	Mukluk Telephone Company, Inc.
Tenakee Springs	17.50	Telephone Utilities of the Northland, Inc.
Thorne Bay	8.70	Telephone Utilities of the Northland, Inc.
Togiak	19.23	United Utilities, Inc.
Tok	10.95	National Utilities, Inc.
Toksook Bay	19.23	United Utilities, Inc.
Tuluksak	19.23	United Utilities, Inc.
Tuntutuliak	19.23	United Utilities, Inc.
Tununak	19.23	United Utilities, Inc.
Tyonek	8.90	Matanuska Telephone Association, Inc.
Unalakleet	10.80	GTE Alaska Incorporated
Unalaska	27.90	Interior Telephone Company
Valdez	9.25	Copper Valley Telephone Cooperative, Inc.
Venetie	19.23	United Utilities, Inc.
Wainwright	7.30	Arctic Slope Telephone Association Cooperative, Inc.
Wales	14.20	Mukluk Telephone Company, Inc.
Wasilla	8.90	Matanuska Telephone Association, Inc.
White Mountain	14.20	Mukluk Telephone Company, Inc.
Whittier	17.00	Yukon Telephone Company, Inc.
Willow	8.90	Matanuska Telephone Association, Inc.
Wrangell	9.05	GTE Alaska Incorporated
Yakutat	7.65	Telephone Utilities of the Northland, Inc.

TELECOMMUNICATIONS UTILITIES

CERTIFICATED CABLE TELEVISION UTILITIES*

Alaska Cablevision, Inc.[1]
Alyeska Cable Company
ASRC Communications, Ltd.
Bay Cablevision, Inc.
Bethel Cablevision, Inc.
Cable Company, Inc., The
Cooke Cablevision, Inc.[2]
Dillingham Cablevision, Inc.
Eyecom, Inc.[3]
Gerstein Communications
Hoonah Tlingit & Haida Community Council
Lynn Canal Cable Vision,
  Jack W. Brown d/b/a
M_2PDC, Inc.
Matanuska Valley Cablevision, Inc.[4]

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[1]Alaska Cablevision, Inc., provides service to Cordova, Kodiak, Kotzebue, Nome, Petersburg, Valdez, and Wrangell.

[2]Cooke Cablevision, Inc., provides service to College, Douglas, Fairbanks, Ft. Wainwright, Juneau, Ketchikan, Mt. Edgecumbe, Mountain Point, Saxman, Sitka, Sterling, and Ward Cove.

[3]Eyecom, Inc., provides service to the City of Galena, Galena Air Force Base, Unalaska, and Port Lions.

[4]Matanuska Valley Cablevision, Inc., provides service to Palmer and Wasilla.

TELECOMMUNICATIONS UTILITIES

CERTIFICATED CABLE TELEVISION UTILITIES (CONT.)

McCaw/Rock Homer Cable System[5]
McCaw/Rock Seward Cable System
McGrath Broadcasting Company
Mt. Dutton Cable Corporation
Pelican Utility Company
Prime Cable of Alaska, L.P.[6]
Shishmaref Native Corporation
Skagway Network Television,
  Jack W. Brown d/b/a
Supervision Cable T.V.[7]
Thorne Bay Community T.V., Inc.
UniVista, Inc.[8]
Village Cable Company, Inc.

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[5]McCaw/Rock Homer Cable System provides service to Homer and Kachemak.

[6]Prime Cable of Alaska, L.P., provides service to Anchorage, Bethel, Eagle River, and the Kenai/Soldotna area.

[7]Supervision Cable T.V. provides service to Ruby, Tanana, and Whittier.

[8]UniVista, Inc., provides service to Gambell, Hooper Bay, Kipnuk, Quinhagak, Saint Marys, Savoonga, Togiak, Toksook Bay, Tununak, and Unalakleet.

TELECOMMUNICATIONS UTILITIES

CERTIFICATED RADIO COMMON CARRIER UTILITIES*

Cermak's Tundra Service,
Gordon L. Cermak d/b/a
Communications Equipment & Service, Inc.[1]
Com/Nav Marine, Inc.
Ketchikan Public Utilities,
City of Ketchikan d/b/a[2]
Keyes Point Communications, Inc.
Kodiak Radio, Inc.
Lloyd V. Morris & Associates[3]
McCaw RCC Communications of Fairbanks, Inc.[4]
Prudhoe Communications, Inc.
Radio Communications, Inc.[5]
South Central Radar and Communications[6]

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*In 1982, the Commission, on its own motion, conditionally exempted Radio Common Carriers from economic regulation. These utilities continue to be subject to certification by the Commission (AS 42.05.221 -- 42.05.281), with possible reinstitution of economic regulation if circumstances should so warrant.

[1]Communications Equipment & Service, Inc., provides service to Anchorage, Beaver, Cantwell, Chatanika, Chena Hot Springs, Chugiak, Circle, Clear, Cleary Summit, College, Delta Junction, Eagle River, Eureka, Fairbanks, Healy, Kenai, Livengood, Manley Hot Springs, McKinley Park, Nenana, North Pole, Peters Creek, Rampart, Stevens Village, Sterling, Soldotna, and Tyonek.

[2]Ketchikan Public Utilities provides service to Ketchikan, Mountain Point, Point Higgins, and Saxman.

[3]Lloyd V. Morris & Associates provides service to Chatanika, Clear, Cleary Summit, College, Fairbanks, Ft. Wainwright, and North Pole.

[4]McCaw RCC Communications of Fairbanks, Inc., provides service to Chatanika, Clear, Cleary Summit, College, Fairbanks, Ft. Wainwright, and North Pole.

[5]Radio Communications, Inc., provides service to Anchor Point, Anchorage, Chugiak, Cooper Landing, Eagle River, English Bay, Girdwood, Halibut Cove, Homer, Hope, Houston, Kalifonsky, Kasilof, Kenai, Moose Pass, Nikiski, Nikolski, Ninilchik, Palmer, Peters Creek, Pt. Graham, Salamatof, Seldovia, Seward, Soldotna, Sterling, Sutton, Talkeetna, Tyonek, Wasilla, Whittier, and Willow.

[6]South Central Radar and Communications provides service to Anchor Point, English Bay, Halibut Cove, Homer, Kachemak, Port Graham, and Seldovia.

CERTIFICATED WATER UTILITIES

Alpat Water Utility Company
Alyeska Utilities, Inc.
Anchorage Water and Wastewater Utility,
Municipality of Anchorage d/b/a[1]
Barrow Utilities and Electric
Cooperative, Inc.
Chugiak Utilities
College Utilities Corp.
*Copper Valley Construction Company
*Cordova, City of
*Craig, City of
Dawn Development Corporation
*Dillingham, City of
Eagle Utilities, Inc.
Eklutna Utilities, Inc.
ERU, Inc.
*Fairbanks Municipal Utilities System,
City of Fairbanks d/b/a
*Fort Yukon, City of
*Galena, City of
*Haines, City of
*Homer, City of
*Hoonah, City of
*Hydaburg, City of
*Juneau, City and Borough of
*Kake, City of
*Kenai, City of
*Ketchikan, City of
*Klawock, City of
*Kodiak, City of
*Kotzebue Municipal Utilities,
City of Kotzebue d/b/a
Kwik Log Water System,
Myron Allon Newton d/b/a
Matanuska Utility Company, Inc.
McGahan Utilities, Inc.
*McGrath, City of
McKinley Utilities, Inc.
*Mountain Point Service Area of the
Ketchikan Gateway Borough

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[1]Anchorage Water and Wastewater Utility provides service to Anchorage and Eagle River.

CERTIFICATED WATER UTILITIES (CONT.)

*Nenana, City of
*N.L.T. Water Company, Inc.
*Nome Joint Utility Systems
Norfolk Utilities, Inc.
*North Pole Utility, City of
North Pole d/b/a
*North Slope Borough Utilities[2]
*Palmer, City of
Pelican Utility Company
*Petersburg, City of
Potter Creek Water Company
*Rangeview Utilities
Romig Park Improvement Company
Sandlake Services,
R. J. & Clara Rhodes d/b/a
*Saxman, City of
*Seldovia, City of
Settlers Bay Properties, Inc.
*Seward, City of
*Sitka, City and Borough of
*Skagway, City of
*Soldotna, City of
South Central Utilities, Inc.
Southeast Utilities Company,
Robert M. Scott, Evelyn V.
Scott, Charles J. Schneider
and Marlene C. Schneider, S & S
Development Company d/b/a
Spenard Heights Water System,
Wayne Cates d/b/a
Swiss Castle Estates Water Works,
Ron Alleva d/b/a
*Thorne Bay, City of
*Unalaska, City of
*Valdez, City of
Valley Water Company, Inc.
*Wasilla, City of
*Whittier, City of
*Wrangell, City of
*Yakutat, City of

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*Not regulated by Alaska Public Utilities Commission as to rates and services.

[2]North Slope Borough Utilities provides service to Anatuvuk Pass, Atkasuk, Deadhorse, Kaktovik, Nuiqsut, Point Hope, Point Lay, Prudhoe Bay, and Wainwright.

WATER UTILITIES
(1988 Calendar Year)

Utility	Net Plant[1]	Revenues: Total Revenues	Revenues: Net Income	Users
(Gross Operating Revenue Greater Than $1,000,000)				
Anchorage Water and Wastewater Utility, Municipality of Anchorage d/b/a	$92,497,559	$17,700,684	$<73,713>	40,472
Barrow Utilities and Electric Cooperative, Inc.	39,298	2,347,417	195,389	431
College Utilities Corp.[2]	3,933,456	1,401,139	140,770	1,653
Subtotal	$96,470,313	$21,449,240	$262,446	42,556
(Gross Operating Revenue Less Than $500,000)				
Alpat Water Utility Company	$ 90,263	$ 10,185	$ <584>	79
Alyeska Utilities, Inc.[3]	78,163	101,532	21,883	526
Chugiak Utilities	88,752	49,676	17,077	195
Dawn Development Corporation	81,191	45,120	<10,875>	137
Eagle Utilities, Inc.	- 0 -	31,697	987	84
Eklutna Utilities, Inc.	403,249	243,152	<31,818>	623
ERU, Inc.	60,173	10,189	<1,169>	34
Kwik Log Water System, Myron Allon Newton d/b/a		(Not Reported)		
Matanuska Utility Company, Inc.	66,586	9,874	2,301	12
McGahan Utilities, Inc.	20,202	22,206	970	148
McKinley Utilities, Inc.[4]	74,970	10,504	<132>	34
Norfolk Utilities, Inc.	687,134	271,110	31,782	880
N.L.T Water Co., Inc.	68,933	5,346	<457>	21

[1]Net of contributions-in-aid-of-construction which consist of assessments or grants from customers or other sources which are used to fund plant construction costs.

[2]Information presented for year ended 11/30/88.

[3]Information presented for year ended 9/30/88.

[4]Information presented for year ended 4/30/89.

WATER UTILITIES (CONT.)
(1988 Calendar Year)

Utility	Net Plant[5]	Revenues		Users
		Total Revenues	Net Income	
Pelican Utility Company[6]	$ 51,899	$ 7,358	$ 657	105
Potter Creek Water Company	35,085	7,247	<4,324>	28
Romig Park Improvement Company[7]	-0-	12,533	2,128	85
Sandlake Services, R. J. & Clara Rhodes d/b/a	32,006	28,489	10,105	138
Settlers Bay Properties, Inc.	-0-	1,618	<7,739>	57
South Central Utilities, Inc.	62,216	3,537	<15,763>	18
Southeast Utilities, Inc., Robert M. Scott, Evelyn V. Scott, Charles J. Schneider and Marlene C. Schneider, S & S Development d/b/a	206,906	118,794	43,065	640
Spenard Heights Water System, Wayne Cates d/b/a	4,037	5,417	<540>	28
Swiss Castle Estates Water Works, Ron Alleva d/b/a	29,753	8,911	<885>	32
Valley Water Company, Inc.[8]	212,986	169,303	62,266	250
Subtotal	$ 2,354,504	$ 1,173,798	$118,935	4,154
TOTAL	$98,824,817	$22,623,038	$381,381	46,710

[5]See n. 1.

[6]Information presented for year ended 3/31/89.

[7]Information presented for year ended 4/30/89.

[8]Information presented for year ended 3/31/89.

SAMPLE MONTHLY RESIDENTIAL WATER RATES
(As of June 30, 1989)

COMMUNITY	LOCATION	UNMETERED FLAT RATE	UTILITY SERVING COMMUNITY
Anchorage	Anchorage	$23.35	Anchorage Water and Wastewater Utility, Municipality of Anchorage d/b/a
	Country Lane Estates	17.16	South Central Utilities, Inc.[1]
	Highlands Subdivision	22.09	Potter Creek Water Company[2]
	Kwik Log Subdivision	8.00	Kwik Log Water System, Myron Allon Newton d/b/a
	Northcreek Subdivision	22.09	Potter Creek Water Company
	Romig Park Subdivision	4.00	Romig Park Improvement Company
	Seacliff Subdivision	17.74	Sandlake Services, R. J. & Clara Rhodes d/b/a
	Southcreek Subdivision	22.09	Potter Creek Water Company
	Spenard Heights Subdivision	10.50	Spenard Heights Water System, Wayne Cates d/b/a
	Strutz and Morehand Subdivision	23.65	Alpat Water Utility Company
	Taniana Valley Subdivision	17.16	South Central Utilities, Inc.
Chugiak	Chugiak	26.00	McKinley Utilities, Inc.
	North Woods Subdivision	22.50	Chugiak Utilities
	Peters Creek	25.00	Dawn Development Corporation
	Thunderbird Heights Subdivision	34.97	Eklutna Utilities, Inc.
Eagle River	Eagle River	30.25	Norfolk Utilities, Inc.
	Eagle River	23.35	Anchorage Water and Wastewater Utility, Municipality of Anchorage d/b/a
	Hylen Crest Subdivision	25.00	ERU, Inc.
	Stewart Subdivision	25.00	ERU, Inc.

[1]Rate set out for South Central Utilities, Inc., is average monthly bill for metered residential customers.

[2] Rate set out for Potter Creek Water Company is average monthly bill for metered residential customers.

SAMPLE MONTHLY RESIDENTIAL WATER RATES (CONT.)
(As of June 30, 1989)

COMMUNITY	LOCATION	UNMETERED FLAT RATE	UTILITY SERVING COMMUNITY
Fairbanks	College	$39.05[3]	College Utilities Corp.
	Lakloey Subdivision	49.71	Valley Water Company, Inc.
Girdwood	Alyeska	14.60	Alyeska Utilities, Inc.
Juneau	Switzer Village	15.28	Southeast Utilities Company, Robert M. Scott, Evelyn V. Scott, Charles J. Schneider, and Marlene C. Schneider, S & S Development d/b/a
Kenai Peninsula	Nikiski	12.50	McGahan Utilities, Inc.
Palmer	Equestrian Acres	35.30	Eagle Utilities, Inc.
Pelican	Pelican	5.60	Pelican Utility Company
Wasilla	Century Park Subdivision	26.00	Matanuska Utility Company, Inc.
	Knik Road	7.00	Trillium Corporation
	Northern Lights Terrace Subdivision	20.00	N.L.T. Water Co., Inc.
	Swiss Castle Estates Wasilla West (Tract 1)	36.00	Swiss Castle Estates Water Works, Ron Alleva d/b/a

[3]Average monthly bill, including $5.95 fire protection charge, for metered residential customers.

AREAS SERVED BY CERTIFICATED UTILITIES[1]
(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Akhiok	---	---	---	---	TUNI	---	---	---
Akiachak	ANCEC	---	---	---	UUI	---	---	---
Akiak	---	---	---	---	UUI	---	---	---
Akutan	AKUTAN	---	---	---	TUNI	---	---	---
Alakanuk	AVEC	---	---	---	UUI	---	---	---
Aleknagik	NECI	---	---	---	NTCI	---	---	---
Allakaket	ACES	---	---	---	TUNI	---	---	---
Ambler	AVEC	---	---	---	OTZ	---	---	---
Anaktuvuk Pass	NSPL	---	---	NSB	ASTAC	---	---	---
Anchor Point	HEA	---	PSC	---	TUNI	---	---	---
Anchorage	CHUGACH	ENSTAR	MOA	AWWU	ATU	---	PRIME	AWWU
	ML&P	---	ARI	---	---	RCI	---	SCUI
	---	---	---	---	---	COM/NAV	---	KWIK LOG
	---	---	---	---	---	---	---	ALPAT
	---	---	---	---	---	---	---	RANGEVIEW
	---	---	---	---	---	---	---	RHODES
	---	---	---	---	---	---	---	RPIC
	---	---	---	---	---	---	---	SHWS
	---	---	---	---	---	---	---	PCWC
Anderson	GVEA	---	---	---	MTA	MTA	---	---
Angoon	T-HREA	---	---	---	TUNI	---	---	---
Aniak	ALPC	---	ADS	---	BUSH-TELL	---	CABLE CO	---

[1]In this chart utility references are designated by acronym. *See* acronym listing for full utility designation.

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)

(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Anvik	AVEC	---	---	---	BUSH-TELL	---	---	---
Arctic Village	---	---	---	---	UUI	---	---	---
Atka	AEC	---	---	---	TUNI	---	---	---
Atmautluak	AJU	---	---	---	UUI	---	---	---
Atkasuk	NSPL	---	---	NSB	ASTAC	---	---	NSB
Barrow	BUECI	BUECI	NSB	BUECI	GTE	---	ASRC	BUECI
Bartlett Cove	NSPL	---	---	---	TUNI	---	---	---
Beaver	BEAVER	---	---	---	UUI	---	---	---
Beluga	---	---	BESI	---	---	---	---	---
Bethel	BUCI	---	---	---	GTE	---	PRIME	---
Bettles	BL&P	---	---	---	BTI	---	---	---
Big Lake	MEA	---	VR	---	MTA	MTA	---	---
	---	---	MACKENZIE	---	---	---	---	---
Birch Creek	---	---	---	---	UUI	---	---	---
Birch Lake	---	---	---	---	CVTC	---	---	---
Bodenburg	---	---	VR	---	---	---	---	---
Bornite	---	---	---	---	OTZ	---	---	---
Border City	---	---	---	---	TUNI	---	---	---
Buckland	---	---	---	---	OTZ	---	---	---
Candle	---	---	---	---	OTZ	---	---	---
Cantwell	GVEA	---	---	---	MTA	MTA	---	---
Central	FNU	---	---	---	UUI	---	---	---
Chalkyitsik	---	---	---	---	UUI	---	---	---
Chatanika	---	---	---	---	SUMMIT	---	---	---
Chatham	---	---	---	---	TUNI	---	---	---
Chauthbaluk	MKEC	---	---	---	UUI	---	---	---
Chefornak	CHEFORNAK	---	---	---	UUI	---	---	---
Chena Hot Springs	---	---	INTERIOR	---	---	---	---	---

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)
(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Chevak	AVEC	---	---	---	UUI	---	---	---
Chicago Creek	---	---	---	---	OTZ	---	---	---
Chickaloon	---	---	SS	---	MTA	MTA	---	---
Chignik	CHIGNIK	---	---	---	TUNI	---	---	---
Chignik Lagoon	---	---	---	---	TUNI	---	---	---
Chignik Lake	---	---	---	---	TUNI	---	---	---
Chistochina	CTP	---	---	---	CVTC	---	---	---
Chitina	CEI	---	---	---	CVTC	---	---	---
Chugiak	MEA	---	ERRI	---	MTA	MTA	---	CHUGIAK
	---	---	---	---	---	---	---	DAWN
	---	---	---	---	---	---	---	EUI
	---	---	---	---	---	---	---	MUI
Circle	CIRCLE	---	---	---	CIRCLE	---	---	---
Circle Hot Springs	---	---	---	---	UUI	---	---	---
Clam Gulch	---	---	PSC	---	TUNI	---	---	---
Clark's Point	CPEU	---	---	---	NTCI	---	---	---
Clear-Anderson	GVEA	---	---	---	MTA	MTA	---	---
Cleary Summit	---	---	---	---	SUMMIT	---	---	---
Clover Pass	---	---	---	---	KPU	KPU	COOKE	---
Coffman Cove	COFFMAN	---	---	---	TUNI	---	---	---
Cold Bay	G & K	---	---	---	ITC	---	---	---
College	GVEA	---	FNU	---	FMUS	---	COOKE	---
Cooper Landing	HEA	---	PSC	---	ITC	---	---	---
Copper Center	CVEA	---	---	---	CVTC	---	---	---
Cordova	CECI	---	CORDOVA	CORDOVA	CTCI	---	ACVI	CORDOVA
Council	---	---	---	---	MUKLUK	---	---	---
Craig	AP&T	---	---	CRAIG	NUI	---	---	CRAIG

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)
(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Crooked Creek	MKEC	---	---	---	BUSH-TELL	---	---	---
Cube Cove	---	---	---	---	TUNI	---	---	---
Deadhorse	AUI	NORGASCO	---	NSB	ASTAC	PCI	---	NSB
Deering	IEC	---	---	---	OTZ	---	---	---
Delta Junction	GVEA	---	DELTA	---	TUNI	---	---	---
Dillingham	NECI	---	DRI	DILLINGHAM	NTCI	---	DCI	DILLINGHAM
Diomede (Little)	DIOMEDE	---	---	---	MUKLUK	---	---	---
Dot Lake	AP&T	---	---	---	NUI	---	---	---
Douglas	---	---	JSC	---	TUA	---	COOKE	CBJ
Dutch Harbor	UNALASKA	---	WSI	---	---	---	---	---
Eagle/Eagle Vil.	EPCI	---	---	---	NCTC	---	---	---
Eagle River	MEA	---	ERRI	AWWU	MTA	MTA	PRIME	AWWU
	---	---	---	---	---	---	---	ERU
	---	---	---	---	---	---	---	NORFOLK
	---	---	---	---	---	---	---	EUI
Eek	AVEC	---	---	---	UUI	---	---	---
Egegik	EL&P	---	---	---	TUNI	---	---	---
Eklutna Valley	---	---	---	---	MTA	MTA	---	---
Ekuk	---	---	---	---	NTCI	---	---	---
Ekwok	---	---	---	---	BBTC	---	---	---
Elfin Cove	---	---	---	---	TUNI	---	---	---
Elim	AVEC	---	---	---	MUKLUK	---	---	---
Emmonak	AVEC	---	---	---	UUI	---	---	---
English Bay	---	---	---	---	TUNI	---	---	---
Evansville	---	---	---	---	BTI	---	---	---
Fairbanks	FMUS	---	FAIRBANKS	FAIRBANKS	FMUS	---	COOKE	FAIRBANKS
	GVEA	---	FNU	CUC	---	McCAW/RCC	M^2PDC	CUC

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)

(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Fairbanks (cont.)	---	---	---	---	---	LVMA	GERSTEIN	VWCI
False Pass	---	---	---	---	TUNI	---	---	---
Fink Creek	---	---	---	---	OTZ	---	---	---
Fort Greely	GVEA	---	---	---	TUNI	---	---	---
Fort Wainwright	GVEA	---	---	---	TUA	---	COOKE	---
Fort Yukon	GZUC	---	---	---	ITC	---	---	FT. YUKON
Fox	---	---	---	---	FMUS	---	---	---
Gakona	CVEA	---	---	---	CVTC	---	---	---
Galena	GALENA	---	---	GALENA	ITC	---	EYECOM	GALENA
Gambell	AVEC	---	---	---	UUI	---	UNIVISTA	---
Girdwood	CHUGACH	---	PSC	AWWU	ATU	---	ACC	ALYESKA
Glacier View	---	---	---	---	MTA	MTA	---	---
Glennallen	CVEA	---	CVCC	CVCC	CVTC	---	---	CVCC
Golovin	GOLOVIN	---	---	---	MUKLUK	---	---	---
Goodnews Bay	AVEC	---	---	---	UUI	---	---	---
Grayling	AVEC	---	---	---	BUSH-TELL	---	---	---
Gulkana	---	---	---	---	CVTC	---	---	---
Gustavus	GUSTAVUS	---	---	---	TUNI	---	---	---
Haines	HL&P	---	HS	HAINES	GTE	---	LCCV	HAINES
Halibut Cove	HEA	---	---	---	TUNI	---	---	---
Harding Lake	---	---	---	---	TUNI	---	---	---
Healy	GVEA	---	---	---	MTA	MTA	---	---
Hobart Bay	---	---	---	---	TUNI	---	---	---
Hollis	AP&T	---	---	---	NUI	---	---	---
Holy Cross	AVEC	---	---	---	BUSH-TELL	---	---	---
Homer	HEA	MAE	PSC	HOMER	TUNI	---	McCAW/ROCK	HOMER
	---	---	---	---	SCRC	---	---	---
Hoonah	T-HREA	---	---	HOONAH	TUNI	---	HTHCC	HOONAH

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)
(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Hooper Bay	AVEC	---	---	---	UUI	---	UNIVISTA	---
Hope	CHUGACH	---	PSC	---	ATU	---	---	---
Houston	---	---	VR	---	MTA	MTA	---	---
Hughes	HPLC	---	---	---	TUNI	---	---	---
Huslia	AVEC	---	---	---	TUNI	---	---	---
Hydaburg	AP&T	---	---	---	NUI	---	---	HYDABURG
Hyder	---	---	---	---	GTE	---	---	---
Igiugig	---	---	---	---	BBTC	---	---	---
Iliamna	I-N-N	---	---	---	ITC	---	---	---
Indian/Bird	---	---	PSC	---	ATU	---	---	---
Ivanof Bay	---	---	---	---	TUNI	---	---	---
Juneau	AEL&P	---	CHANNEL	JUNEAU	TUA	---	COOKE	JUNEAU
	---	---	JSC	---	---	RCI	---	S & S
	---	---	---	---	---	COM/NAV	---	---
Kachemak	---	---	PSC	---	---	---	---	---
Kaguyak	---	---	---	---	TUNI	---	---	---
Kake	T-HREA	---	---	KAKE	TUNI	---	---	KAKE
Kokhanok	---	---	---	---	TUNI	---	---	---
Kaktovik	NSPL	---	---	NSB	ASTAC	---	---	NSB
Kalifonsky	HEA	---	PSC	---	TUNI	---	---	---
	---	---	C&S	---	---	---	---	---
Kalla	---	---	---	---	OTZ	---	---	---
Kalskag	---	---	---	---	BUSH-TELL	---	---	---
Kaltag	AVEC	---	---	---	TUNI	---	---	---
Kantishna	---	---	---	---	MTA	MTA	---	---
Karluk	---	---	---	---	TUNI	---	---	---

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)

(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Kasaan	T-HREA	---	---	---	TUNI	---	---	---
Kasigluk/Akolmuit	AVEC	---	---	---	UUI	---	---	---
Kasilof	HEA	---	PSC	---	TUNI	---	---	---
	---	---	C&S	---	---	---	---	---
Kenai	HEA	ENSTAR	PSC	KENAI	TUNI	---	PRIME	KENAI
	---	---	C&S	SALMANTOF	---	---	---	McGAHAN
Ketchikan	KETCHIKAN	KETCHIKAN	TONGASS	KGB	KETCHIKAN	KPU	COOKE	KETCHIKAN
	---	---	KETCHIKAN	KETCHIKAN	---	RCI	---	MPSA
Ketchikan East	---	---	---	---	KPU	---	---	---
Kiana	AVEC	---	---	---	OTZ	---	---	---
King Cove	KING COVE	---	---	---	ITC	---	MT. DUTTON	---
King Salmon	NEA	---	---	---	BBTC	---	BCI	---
Kipnuk	---	---	---	---	UUI	---	UNIVISTA	---
Kivalina	AVEC	---	---	---	OTZ	---	---	---
Klawock	T-HREA	---	---	---	TUNI	---	---	KLAWOCK
Klukwan	---	---	---	---	GTE	---	---	---
Knik	---	---	VR	---	---	---	---	---
Kobuk	---	---	---	---	OTZ	---	---	---
Kodiak	KEA	---	KSI	KODIAK	TUNI	---	ACVI	KODIAK
	---	---	---	---	---	KRI	---	---
Koliganek	---	---	---	---	BBTC	---	---	---
Kongiganak	PPC	---	---	---	UUI	---	---	---
Kotlik	KOTLIK	---	---	---	UUI	---	---	---
Kotzebue	KOTZEBUE	---	---	KMU	OTZ	---	ACVI	KOTZEBUE
Koyuk	AVEC	---	---	---	MUKLUK	---	---	---
Koyukuk	---	---	---	---	TUNI	---	---	---
Kwethluk	KWETHLUK	---	---	---	UUI	---	---	---
Kwigillingok	KWIG	---	---	---	UUI	---	---	---

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)
(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Lake Louise	---	---	AAE	---	---	---	---	---
	---	---	WRI	---	---	---	---	---
Lake Minchumina	SEMLOH	---	---	---	---	---	---	---
Larsen Bay	LARSEN BAY	---	---	---	TUNI	---	---	---
Lemon Creek	AEL&P	---	---	---	TUA	---	---	---
Levelock	LECI	---	---	---	BBTC	---	---	---
Lime Village	---	---	---	---	UUI	---	---	---
Long Island	---	---	---	---	TUNI	---	---	---
Lower Kalskag	AVEC	---	---	---	BUSH-TELL	---	---	---
Marshall	AVEC	---	---	---	UUI	---	---	---
Manley Hot Springs	MANLEY	---	---	---	UUI	---	---	---
Manokotak	MPC	---	---	---	NTCI	---	---	---
McGrath	MLPC	---	MTR	---	GTE	MBC	MBC	MCGRATH
McKinley Park	GVEA	---	IRWIN'S	---	MTA	MTA	---	---
Merkoryuk	AVEC	---	---	---	UUI	---	---	---
Mentasta	---	---	---	---	CVTC	---	---	---
Meshik	---	---	---	---	TUNI	---	---	---
Metlakatla	---	---	---	---	GTE	---	---	---
Minto	AVEC	---	---	---	UUI	---	---	---
Montana	MEA	---	---	---	MTA	MTA	---	---
Moose Pass	CHUGACH	---	PSC	---	GTE	---	---	---
Mount Edgecumbe	SITKA	---	SITKA	SITKA	TUNI	---	COOKE	SITKA
Mountain Point	---	---	---	---	KPU	KPU	McCAW	---
Mountain Village	AVEC	---	---	---	UUI	---	VCC	---
Murphy Dome	GVEA	---	---	---	---	---	---	---
Naknek	NEA	---	PATTERSON	---	BBTC	---	BCI	---
Napakiak	NIPC	---	---	---	UUI	---	---	---
Napaskiak	---	---	---	---	UUI	---	---	---

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)
(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Nelson Lagoon	NLECI	---	---	---	TUNI	---	---	---
Nenana	GVEA	---	IRWIN'S	NENANA	TUNI	---	---	NENANA
New Chenega Bay	---	---	---	---	UUI	---	---	---
Newhalen	I-N-N	---	---	---	---	---	---	---
New Stuyahok	AVEC	---	---	---	BBTC	---	---	---
Newtok	UPC	---	---	---	UUI	---	---	---
Nightmute	---	---	---	---	UUI	---	---	---
Nikishka	HEA	---	PSC	---	TUNI	---	---	---
Nikolai	---	---	---	---	UUI	---	---	---
Nikolski	UMNAK	---	---	---	TUNI	---	---	---
Ninilchik	HEA	---	PSC	---	TUNI	---	---	---
Noatak	AVEC	---	---	---	OTZ	---	---	---
Nome	NOME	---	---	NOME	GTE	---	ACVI	NOME
Nondalton	I-N-N	---	---	---	TUNI	---	---	---
Noorvik	AVEC	---	---	---	OTZ	---	---	---
North Kenai	HEA	---	---	---	TUNI	---	---	---
North Pole	GVEA	---	DRAKE'S	NORTH POLE	TUNI	---	---	NORTH POLE
Northway	NPLI	---	NNL	---	TUNI	---	---	---
Nuiqsut	NSPL	---	---	NSB	ASTAC	---	---	NSB
Nulato	AVEC	---	---	---	TUNI	---	---	---
Nunapitchuk	AVEC	---	---	---	UUI	---	---	---
Old Harbor	AVEC	---	---	---	TUNI	---	---	---
Oscarville	---	---	---	---	UUI	---	---	---
Ouzinkie	OUZINKIE	---	---	---	TUNI	---	---	---
	KATMAI	---	---	---	---	---	---	---
Palmer	MEA	ENSTAR	PALMER	PALMER	MTA	MTA	MVC	PALMER
	---	---	WRI	---	---	---	---	SWISS CASTLE
	---	---	MAT-SU	---	---	---	---	EAGLE

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)
(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Paxson	PAXSON	---	---	---	CVTC	---	---	---
Pedro Bay	PEDRO BAY	---	---	---	TUNI	---	---	---
Pelican	PELCO	---	---	---	TUNI	---	PELCO	PELCO
Perkinsville	---	---	---	---	MTA	MTA	---	---
Perryville	---	---	---	---	TUNI	---	---	---
Petersburg	PETERSBURG	---	PETERSBURG	PETERSBURG	GTE	---	ACVI	PETERSBURG
	---	---	ERRI	---	---	---	---	---
Pilot Point	---	---	---	---	TUNI	---	---	---
Pilot Station	AVEC	---	---	---	UUI	---	---	---
Pitkas Point	AVEC	---	---	---	---	---	---	---
Platinum	---	---	---	---	UUI	---	---	---
Point Baker	---	---	---	---	TUNI	---	---	---
Point Hope	NSPL	---	---	NSB	ASTAC	---	---	NSB
Point Higgins	---	---	---	---	KPU	KPU	---	---
Point Lay	NSPL	---	---	NSB	ASTAC	---	---	NSB
Port Alexander	---	---	---	---	TUNI	---	---	---
Port Alsworth	---	---	---	---	TUNI	---	---	---
Port Graham	HEA	---	---	---	TUNI	---	---	---
Port Heiden	---	---	---	---	---	---	---	---
Port Lions	KEA	---	---	---	ITC	---	EYECOM	---
Port Moller	KEA	---	---	---	---	---	---	---
Port Protection	---	---	---	---	TUNI	---	---	---
Portage	---	---	PSC	---	ATU	---	---	---
Portage Creek	---	---	---	---	TUNI	---	---	---
Prudhoe Bay	---	---	---	NSB	---	---	---	NSB
Quinhagak	AVEC	---	---	---	UUI	---	UNIVISTA	---

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)

(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Rampart	WEISNER	---	---	---	UUI	---	---	---
Red Devil	MKEC	---	---	---	BUSH-TELL	---	---	---
Ruby	RUBY	---	---	---	YTC	---	SUPERVISION	---
Russian Mission	AVEC	---	---	---	UUI	---	---	---
Saint George	ST. GEORGE	---	---	---	TUNI	---	---	---
Saint Marys	AVEC	---	---	---	UUI	---	UNIVISTA	---
Saint Michael	AVEC	---	---	---	MUKLUK	---	---	---
Saint Paul	ST. PAUL	---	---	---	TUNI	---	---	---
Salamatof	---	---	PSC	---	SALMANTOF	---	---	---
	---	---	C&S	---	---	---	---	---
Salcha	---	---	DRAKE'S	---	---	---	---	---
Sand Point	SPEI	---	---	---	ITC	---	---	PELCO
Savoonga	AVEC	---	---	---	UUI	---	UNIVISTA	---
Saxman	---	---	---	---	KPU	KPU	McCAW	---
Scammon Bay	AVEC	---	---	---	UUI	---	---	---
Selawik	AVEC	---	---	---	OTZ	---	---	---
Seldovia	HEA	---	---	SELDOVIA	TUNI	---	---	SELDOVIA
Seward	SEWARD	---	SS	SEWARD	GTE	McCAW/RCC	McCAW/ROCK	SEWARD
Shageluk	AVEC	---	---	---	BUSH-TELL	---	---	---
Shaktoolik	AVEC	---	---	---	MUKLUK	---	---	---
Sheldon Point	SHELDON POINT	---	---	---	UUI	---	---	---
Shepard Point	CECI	---	---	---	---	---	---	---
Shishmaref	AVEC	---	---	---	MUKLUK	---	SNC	---
Shungnak	AVEC	---	---	---	OTZ	---	---	---
Sitka	SITKA	SITKA	MARCH	SITKA	TUNI	---	COOKE	SITKA
	---	---	---	---	---	RCI	---	---
Skagway	AP&T	---	SKAGWAY	SKAGWAY	NUI	---	SNTV	SKAGWAY

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)
(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Sleetmute	MKEC	---	---	---	BUSH-TELL	---	---	---
Soldotna	HEA	---	PSC	SOLDOTNA	TUNI	---	---	SOLDOTNA
	---	---	C&S	---	---	---	---	---
Stebbins	AVEC	---	---	---	MUKLUK	---	---	---
Sterling	HEA	---	PSC	---	TUA	---	---	---
	---	---	C&S	---	---	---	---	---
Stevens Village	---	---	---	---	UUI	---	---	---
Stoney River	MKEC	---	---	---	BUSH-TELL	---	---	---
Sunrise	---	---	PSC	---	---	---	---	---
Sutton	MEA	---	SUTTON	---	MTA	MTA	---	---
	---	---	WRI	---	---	---	---	---
	---	---	AAE	---	---	---	---	---
Takotna	TAKOTNA	---	---	---	UUI	---	---	---
Talkeetna	MEA	---	AAE	---	MTA	MTA	---	---
	---	---	WRI	---	---	---	---	---
Tanacross	AP&T	---	---	---	NUI	---	---	---
Tanana	TPC	---	---	---	YTC	---	SUPERVISION	---
Tatitlek	TATITLEK	---	---	---	CVTC	---	---	---
Telida	---	---	---	---	UUI	---	---	---
Teller/Brevig Mis.	TELLER	---	---	---	MUKLUK	---	---	---
Tenakee Springs	TENAKEE SPRINGS	---	---	---	TUNI	---	---	---
Tetlin	TETLIN	---	---	---	NUI	---	---	---
Thorne Bay	THORNE BAY	---	THORNE BAY	---	TUNI	---	TBTV	---
Togiak	AVEC	---	---	---	UUI	---	UNIVISTA	---
Tok	AP&T	---	J.D. REFUSE	---	NUI	---	---	---
Toksook Bay	AVEC	---	---	---	UUI	---	UNIVISTA	---
Tuluksak	---	---	---	---	UUI	---	---	---
Tuntutuliak	TCSA	---	---	---	UUI	---	---	---
Tununak	AVEC	---	---	---	UUI	---	UNIVISTA	---

AREAS SERVED BY CERTIFICATED UTILITIES (CONT.)

(July 1, 1988 through June 30, 1989)

AREA SERVED	ELECTRIC UTILITY	GAS UTILITY	GARBAGE UTILITY	SEWER UTILITY	TELEPHONE UTILITY	RCC UTILITY	CABLE TV UTILITY	WATER UTILITY
Twin Hills	---	---	---	---	UUI	---	---	---
Twin Peaks	MEA	---	ERRI	---	MTA	MTA	---	EUI
Tyee	TBPA	---	---	---	---	---	---	---
Tyonek	---	---	BESI	---	MTA	MTA	---	---
Unalakleet	MEA	---	---	---	GTE	---	UNIVISTA	---
Unalaska	UNALASKA	---	WSI	UNALASKA	ITC	---	EYECOM	UNALASKA
Uppe. Kalskag	AVEC	---	---	---	BUSH-TELL	---	---	---
Usibelli	GVEA	---	IRWIN'S	---	MTA	MTA	---	---
Usibelli Mine	GVEA	---	IRWIN'S	---	MTA	MTA	---	---
Valdez	CVEA	---	VATI	VALDEZ	CVTC	---	ACVI	VALDEZ
	---	---	---	---	---	RCI	---	---
Venetie	VENETIE	---	---	---	UUI	---	---	—
Wainwright	NSPL	---	---	NSB	ASTAC	---	---	NSB
Wales	AVEC	---	---	---	MUKLUK	---	---	---
Ward Cove	---	---	---	---	KPU	KPU	McCAW	---
Wasilla	MEA	ENSTAR	WRI	WASILLA	MTA	MTA	MVC	WASILLA
	---	---	ALMA	TRILLIUM	---	---	---	MUC
	---	---	MACKENZIE	---	---	---	---	N.L.T.
	---	---	VR	---	---	---	---	SWISS CASTLE
	---	---	---	---	---	---	---	TRILLIUM
White Mountain	WHITE MOUNTAIN	---	---	---	MUKLUK	---	---	---
Whittier	CHUGACH	---	---	WHITTIER	YTC	---	SUPERVISION	WHITTIER
Willow	MEA	---	WRI	---	MTA	MTA	---	---
Wrangell	WRANGELL	---	---	WRANGELL	GTE	---	ACVI	WRANGELL
Yakutat	YPI	---	BOB'S DISPOSAL	---	TUNI	---	---	YAKUTAT

FINANCIAL INFORMATION COVERING FULLY REGULATED PIPELINE CARRIERS
1985-1988
(in 000's)
(Calendar Years)

	1985	1986	1987	1988
Carrier Property				
Gross	$9,881,973	$10,678,614	$10,001,738	$10,006,157
Net	7,116,082	7,245,707	6,704,377	6,491,160
Revenue				
Gross	$3,233,867	$ 3,378,978	$ 2,879,301	$ 2,494,998
Net	1,348,289	1,198,228	2,022,730	$ 1,663,642
Throughput (Barrels)[1]	666,239	822,249	793,719	979,133

[1]Crude oil.

CERTIFICATED AND REGULATED PIPELINE CARRIERS

Amerada Hess Pipeline Corporation

Arco Pipe Line Company

BP Pipelines (Alaska) Inc.

Cook Inlet Pipe Line Company

Endicott Pipeline Company

Exxon Pipeline Company

Golden Valley Electric Association, Inc.

Kenai Pipe Line Company

Kuparuk Transportation Company

Milne Point Pipe Line Company

Mobil Alaska Pipeline Company

Oliktok Pipeline Company

Phillips Alaska Pipeline Corporation

Tesoro Alaska Pipeline Company

Unocal Pipeline Company

PIPELINE COMPANIES
(1988 Calendar Year)

(in 000's)

Pipeline Company	Property		Revenues		Throughput[1]
	Gross	Net	Total Revenues	Net Income	Barrels
Amerada Hess Pipeline Corporation	$ 149,608	$ 95,530	$ 35,889	$ 22,279	11,460
Arco Pipe Line Company	2,057,704	1,379,140	512,931	343,351	157,314
BP Pipelines (Alaska) Inc.	4,902,520	3,139,781	1,175,717	787,193	380,878
Cook Inlet Pipe Line Company	42,492	10,357	12,370	5,476	10,869
Endicott Pipeline Company	55,586	47,938	26,930	12,886	37,929
Exxon Pipeline Company	1,921,297	1,225,585	487,933	331,029	151,327
Golden Valley Electric Association, Inc.	5,927	3,519	1,191	219	32,525
Kenai Pipe Line Company	12,846	4,324	5,587	3,465	33,949
Kuparuk Transportation Company	126,148	102,558	68,412	56,499	110,464
Milne Point Pipe Line Company	26,930	25,340	-0-	<1,005>	-0-
Mobil Alaska Pipeline Company	398,440	252,391	91,641	50,017	29,966
Oliktok Pipeline Company	30,571	26,172	6,662	4,079	-0- [2]
Phillips Alaska Pipeline Corporation	126,916	80,787	32,494	22,036	11,789
Tesoro Alaska Pipeline Company	22,701	13,599	6,493	4,268	-0- [3]
Unocal Pipeline Company	126,471	84,139	30,748	21,850	10,663
TOTALS	$10,006,157	$6,491,160	$2,494,998	$1,663,642	979,133

[1]Crude oil.

[2]Oliktok shipped 6,698,807 MCF's of natural gas.

[3]Tesoro shipped 10,794,000 barrels of gasoline, jet fuels, and other high volatile petroleum fuels.

ACRONYM LIST OF CERTIFICATED ENTITIES

ACRONYM	CERTIFICATED ENTITY:
AAE	All Alaska Enterprises, Mike Downs d/b/a
ACC	Alyeska Cable Company
ACES	Allakaket City Energy Systems, City of Allakaket d/b/a
ACVI	Alaska Cablevision, Inc.
ADS	Aniak Disposal Service, Ronald N. Choate d/b/a
AEC	Andreanof Electric Corp.
AEG&T	Alaska Electric Generation & Transmission Cooperative, Inc.
AEL&P	Alaska Electric Light & Power Company
AJU	Atqautluak Joint Utilities
AKUTAN	Akutan, City of
ALASCOM	Alascom, Inc.
ALMA	Alma Corporation
ALPAT	Alpat Water Utility Company
ALPC	Aniak Light and Power Company, Inc.
ALYESKA	Alyeska Utilities, Inc.
AMERADA	Amerada Hess Pipeline Corporation
ANCEC	Akiachak Native Community Electric Company
AP&T	Alaska Power & Telephone Company
APC	Alaska Pipeline Company
ARCO	ARCO Pipe Line Company
ARI	Anchorage Refuse, Inc.
ASRC	ASRC Communications, Ltd.
ASTAC	Arctic Slope Telephone Association Cooperative, Inc.
ATU	Anchorage Telephone Utility, Municipality of Anchorage d/b/a
AUI	Arctic Utilities, Inc.
AVEC	Alaska Village Electric Cooperative, Inc.
AWWU	Anchorage Water and Wastewater Utility, Municipality of Anchorage d/b/a

ACRONYM	CERTIFICATED ENTITY:
BBTC	Bristol Bay Telephone Cooperative, Inc.
BCI	Bay Cablevision, Inc.
BCV	Bethel Cablevision, Inc.
BEAVER	Beaver Village Electrical Utility Beaver Village Council d/b/a
BESI	Beluga Environmental Services, Inc.
BL&P	Bettles Light & Power, Inc.
BOB'S DISPOSAL	Bob's Disposal Service Bobby C. Pate d/b/a
BP	BP Pipelines (Alaska) Inc.
BTI	Bettles Telephone, Inc.
BUCI	Bethel Utilities Corporation, Inc.
BUECI	Barrow Utilities and Electric Cooperative, Inc.
BUSH-TELL	Bush-Tell, Incorporated
C & S	C & S Enterprises
CABLE CO.	Cable Company, Inc., The
CECI	Cordova Electric Cooperative, Inc.
CES	Colville Environmental Services
CESI	Communications Equipment & Service, Inc.
CHANNEL	Channel Sanitation Corporation
CHEFORNAK	Chefornak Electric Company
CHIGNIK	Chignik, City of
CHITINA	Chitina Electric, Inc.
CHUGACH	Chugach Electric Association, Inc.
CHUGIAK	Chugiak Utilities
CIPL	Cook Inlet Pipe Line Company
CIRCLE	Circle Electric, Richard Hutchinson d/b/a
COM/NAV	COM/NAV Marine, Inc.
COOKE	Cooke Cablevision, Inc.
CORDOVA	Cordova, City of
CPEU	Clarks Point Electric Utility
CRAIG	Craig, City of
CTCI	Cordova Telephone Cooperative, Inc.
CTP	Chistochina Trading Post

ACRONYM	CERTIFICATED ENTITY:
CTS	Cermak's Tundra Service, Gordon L. Cermak d/b/a
CUC	College Utilities Corp.
CVCC	Copper Valley Construction Company
CVEA	Copper Valley Electric Association, Inc.
CVTC	Copper Valley Telephone Cooperative, Inc.
DAWN	Dawn Development Corporation
DCI	Dillingham Cablevision, Inc.
DELTA	Delta Sanitation, Joe Peters d/b/a
DILLINGHAM	Dillingham, City of
DIOMEDE	Diomede, City of
DRAKE'S	Drake's Sanitation, Inc.
DRI	Dillingham Refuse, Inc.
EAGLE	Eagle Utilities, Inc.
EL&P	Egegik Light and Power, Homer Lee Leonard d/b/a
ENDICOTT	Endicott Pipeline Company
ENSTAR	ENSTAR Natural Gas Company
EPCI	Eagle Power Company, Inc., Ralph E. Helmer d/b/a
ERRI	Eagle River Refuse, Inc.
ERU	ERU, Inc.
EUI	Eklutna Utilities, Inc.
EVES	Eagle Village Electric System
EXXON	Exxon Pipeline Company
EYECOM	Eyecom, Incorporated
FAIRBANKS	Fairbanks, City of
FAR NORTH	Far North Sanitation Service, Inc.
FMUS	Fairbanks Municipal Utilities System, City of Fairbanks d/b/a
FNU	Far North Utilities
FORT YUKON	Fort Yukon, City of
G&K	G & K, Inc.
GALENA	Galena, City of
GERSTEIN	Gerstein Communications
GOLOVIN	Golovin, City of

ACRONYM	CERTIFICATED ENTITY:
GTE	GTE Alaska Incorporated
GUSTAVUS	Gustavus Electric, Inc.
GVEA	Golden Valley Electric Association, Inc.
GZUC	Gwitchyaa Zhee Utility Company
HAINES	Haines, City of
HEA	Homer Electric Association, Inc.
HL&P	Haines Light & Power Co., Inc.
HOMER	Homer, City of
HOONAH	Hoonah, City of
HPLC	Hughes Power & Light Company
HS	Haines Sanitation, Frank E. & Arla L. Shell d/b/a
HTHCC	Hoonah Tlingit & Haida Community Council
HYDABURG	Hydaburg, City of
IEC	Ipnatchiaq Electric Company
I-N-N	I-N-N Electric Cooperative, Inc.
INTERIOR	Interior Services, Ralph E. Bartlett d/b/a
IRWIN'S	Irwin's Garbage Disposal, Jennie Irwin d/b/a
ITC	Interior Telephone Company
J. D. REFUSE	J. D. Refuse Service, Delores R. Burnham d/b/a
JSC	Juneau Sanitation Corporation
JUNEAU	Juneau, City and Borough of
KAKE	Kake, City of
KATMAI	Katmai Hydro
KEA	Kodiak Electric Association, Inc.
KENAI	Kenai, City of
KGB	Ketchikan Gateway Borough
KING COVE	King Cove, City of
KWETHLUK	Kwethluk, Inc. d/b/a Kuiggluum Kallugvia
KLAWOCK	Klawock, City of
KMU	Kotzebue Municipal Utilities, City of Kotzebue d/b/a
KOBUK	Kobuk, City of

ACRONYM	CERTIFICATED ENTITY:
KODIAK	Kodiak, City of
KOTLIK	Kotlik, City of
KOTZEBUE	Kotzebue Electric Association, Inc.
KPCI	Keyes Point Communications, Inc.
KPLC	Kenai Pipe Line Company
KPU	Ketchikan Public Utilities, City of Ketchikan d/b/a
KRI	Kodiak Radio, Inc.
KSI	Kodiak Sanitation, Inc.
KTC	Kuparuk Transportation Company
KWIG	Kwig Power Company
KWIK LOG	Kwik Log Water System, Myron Allen Newton d/b/a
LARSEN BAY	Larsen Bay, City of
LCCV	Lynn Canal Cable Vision, Jack Brown d/b/a
LECI	Levelock Electric Cooperative, Inc.
LVMA	Lloyd V. Morris and Associates
M^2PDC	M^2PDC, Inc.
MACKENZIE	MacKenzie Refuse
MAE	Mountain Alaska Energy, Inc.
MANLEY	Manley Utility Co., Inc.
MARCH	March Disposal, Robert Marlow and George Chapman d/b/a
MAT-SU	Matanuska-Susitna Borough
MBC	McGrath Broadcasting Company
McCAW/RCC	McCaw RCC Communications of Fairbanks, Inc.
McCAW/ROCK	McCaw/Rock Seward Cable System
McGAHAN	McGahan Utilities, Inc.
McGRATH	McGrath, City of
MEA	Matanuska Electric Association, Inc.
MKEC	Middle Kuskokwim Electric Cooperative, Inc.
ML&P	Municipal Light & Power Department, Municipality of Anchorage d/b/a
MLPC	McGrath Light & Power Co.
MOA	Municipality of Anchorage

ACRONYM	CERTIFICATED ENTITY:
MOBIL	Mobil Alaska Pipeline Company
MPC	Manokotak Power Company
MPPLC	Milne Point Pipe Line Company
MPSA	Mountain Point Service Area of the Ketchikan Gateway Borough
MTA	Matanuska Telephone Association, Inc.
MT. DUTTON	Mt. Dutton Cable Corporation
MTR	McGrath Trash and Refuse
MUC	Matanuska Utility Company, Inc.
MUI	McKinley Utilities, Inc.
MUKLUK	Mukluk Telephone Company, Inc.
MVC	Matanuska Valley Cablevision, Inc.
NCTC	North Country Telephone Company
NEA	Naknek Electric Association, Inc.
NECI	Nushagak Electric Cooperative, Inc.
NENANA	Nenana, City of
NIPC	Napakiak Ircinaq Power Company
NLECI	Nelson Lagoon Electric Coop., Inc.
NLT	N.L.T. Water Co., Inc.
NNL	Naabia Niign, Ltd.
NOME	Nome Joint Utility Systems
NORFOLK	Norfolk Utilities, Inc.
NORGASCO	Norgasco, Inc.
NORTH POLE	North Pole Utility, City of North Pole d/b/a
NPLI	Northway Power & Light, Inc.
NSB	North Slope Borough Utilities
NSPL	North Slope Borough Power & Light System, North Slope Borough d/b/a
NTCI	Nushagak Telephone Cooperative, Inc.
NUI	National Utilities, Inc.
OLIKTOK	Oliktok Pipeline Company
OTZ	OTZ Telephone Cooperative, Inc.
OUZINKIE	Ouzinkie, City of
PALMER	Palmer, City of
PATTERSON	Patterson [EARL] Sanitation & Refuse Service, Inc.

ACRONYM	CERTIFICATED ENTITY:
PAXSON	Paxson Lodge
PCI	Prudhoe Communications, Inc.
PCWC	Potter Creek Water Company
PELCO	Pelican Utility Company
PETERSBURG	Petersburg, City of
PHILLIPS	Phillips Alaska Pipeline Corp.
PPC	Puvurnaq Power Company
PRIME	Prime Cable of Alaska, L.P.
PSC	Peninsula Sanitation Company, Inc.
RANGEVIEW	Rangeview Utilities
RCI	Radio Communications, Inc.
RPIC	Romig Park Improvement Company
RUBY	Ruby, City of
SALMANTOF	Salmantof Utilities, Inc.
SANDLAKE	Sandlake Services, R.J. & Clara Rhodes d/b/a
SAXMAN	Saxman, City of
SBPI	Settlers Bay Properties, Inc.
SCRC	South Central Radar & Communications
SCUI	South Central Utilities, Inc.
SELDOVIA	Seldovia, City of
SEWARD	Seward, City of
SHELDON	Sheldon Point Electric Co., City of d/b/a Sheldon Point
SHWS	Spenard Heights Water System, Wayne Cates d/b/a
SITKA	Sitka, City and Borough of
SKAGWAY	Skagway, City of
SNC	Shishmaref Native Corporation
SNTV	Skagway Network Television, Jack Brown d/b/a
SOLDOTNA	Soldotna, City of
SPEI	Sand Point Electric, Inc.
SS	Seward Service, Herman E. Leirer d/b/a
S&S	Southeast Utilities Company, Robert M. Scott, Evelyn V. Scott, Charles J. Schneider

ACRONYM	CERTIFICATED ENTITY:
	and Marlene C. Schneider, S & S Development Company d/b/a
ST. GEORGE	Saint George, City of
ST. PAUL	Saint Paul, City of
SUMMIT	Summit Telephone Company, The Summit Telephone & Telegraph Company of Alaska d/b/a
SUPERVISION	Supervision Cable TV
SUTTON	Sutton Sanitation Services
SWISS CASTLE	Swiss Castle Estates Water Works, Ron Alleva d/b/a
TAKOTNA	Takotna Community Association, Inc.
TBPA	Thomas Bay Power Authority
TBTV	Thorne Bay Community T.V., Inc.
TCSA	Tuntutuliak Community Services Association
TELLER	Teller Power Company, Inc.
TENAKEE	Tenakee Springs Electric Utility Dept., City of Tenakee Springs d/b/a
TESORO	Tesoro Alaska Pipeline Company
THORNE BAY	Thorne Bay, City of
T-HREA	Tlingit-Haida Regional Electrical Authority
TONGASS	Tongass Sanitation, Wallace A. & Diana L. Crowe d/b/a
TPC	Tanana Power Company, Inc.
TUA	Telephone Utilities of Alaska, Inc.
TUNI	Telephone Utilities of the Northland, Inc.
UMNAK	Umnak Power Company, Native Village of Nikolski d/b/a
UNALASKA	Unalaska, City of
UNIVISTA	Univista, Inc.
UNOCAL	Unocal Pipeline Company
UPC	Ungusraq Power Company
UUI	United Utilities, Inc.
VALDEZ	Valdez, City of
VATI	Valdez Alaska Terminals, Inc.
VCC	Village Cable Company, Inc.
VR	Valley Refuse, Paul B. and Shonda Robison d/b/a

ACRONYM	CERTIFICATED ENTITY:
VWCI	Valley Water Company, Inc.
WASILLA	Wasilla, City of
WEISNER	Weisner Trading Co.
WHITE MOUNTAIN	White Mountain, City of
WHITTIER	Whittier, City of
WRANGELL	Wrangell, City of
WRI	Wasilla Refuse, Inc.
WSI	Williwaw Services, Inc.
YAKUTAT	Yakutat, City of
YPI	Yakutat Power, Inc.
YTC	Yukon Telephone Company, Inc.

UTILITIES WHICH HAVE HELD DEREGULATION ELECTIONS AND THE RESULTS OF THOSE ELECTIONS

Year	Utility	Election Result
1980	Matanuska Electric Association, Inc.	Member/subscribers voted against being deregulated.
1980	Glacier Highway Electric Association, Inc.[1]	Member/subscribers elected to become deregulated.
1980	Tanana Power Company, Inc.	Subscribers voted against being deregulated.
1981	Cordova Electric Cooperative, Inc.	Member/subscribers elected to become deregulated.
1981	Cordova Telephone Cooperative, Inc.	Member/subscribers elected to become deregulated.
1981	Naknek Electric Association, Inc.	Member/subscribers elected to become deregulated.
1983	Circle Electric, Richard Hutchinson d/b/a	Subscribers elected to become deregulated.
1984	I-N-N Electric Cooperative, Inc.	Member/subscribers voted against being deregulated.
1986	Nelson Lagoon Electric Cooperative, Inc.	Member/subscribers elected to become deregulated.
1987	Manokotak Power Company	Subscribers elected to become deregulated.
1987	Eagle Power Company, Inc., Ralph E. Helmer d/b/a	Subscribers elected to become deregulated.
1988	Egegik Light and Power, Homer Lee Leonard d/b/a	Subscribers elected to become deregulated.
1988	Nushagak Electric Cooperative, Inc.	Member/subscribers elected to become deregulated.
1989	I-N-N Electric Cooperative, Inc.	Member/subscribers elected to become deregulated.
1989	Levelock Electric Cooperative, Inc.	Member/subscribers elected to become deregulated.

[1] In FY89 this utility was acquired by Alaska Electric Light and Power.

UTILITIES WHICH HAVE HELD DEREGULATION ELECTIONS AND THE RESULTS OF THOSE ELECTIONS (CONT.)

1989	Kodiak Electric Association, Inc.	Election invalidated due to election improprieties.
1989	Kodiak Electric Association, Inc.	Member/subscribers voted against being deregulated.

THE ALASKA PUBLIC UTILITIES COMMISSION

Susan M. Knowles, Chairman
Carolyn S. Guess
Kathleen L. Whiteaker
Peter Sokolov
Daniel Patrick O'Tierney

Ted S. Moninski II, Executive Director

Susan M. Knowles, Commissioner (Appointed October 1, 1975 - current term ends November 1, 1993): Vassar College (BA) Political Science; University of Alaska (MBA) Business Administration - Finance; Chairman, Alaska Public Utilities Commission (January 8, 1988-Present); Federal-State Joint Board (CC 83-1376); President, First Vice President, and Second Vice President - National Association of Regulatory Utility Commissioners (NARUC) (1982-1985); Executive Committee - NARUC (1982-Present); Committee on Communications - NARUC (1987-Present); Committee on Gas - NARUC (1976-1987); Fellow - Council on Economic Regulation (1986-Present); Board of Directors - National Regulatory Research Institute (1982-1985); Advisory Council - Gas Research Institute (1978-1984); President, Vice President, Secretary Treasurer, Executive Committee - Western Conference of Public Service Commissions (1977-1982); Community Enterprise Development Corporation; property investment finance manager; restaurateur; born December 4, 1946, New York, New York; married, three children.

Carolyn S. Guess, Commissioner (Appointed October 1, 1975 - current term ends November 1, 1993): College of William & Mary (BA); Acting Chairman, APUC (1987-1988); Chairman, APUC (1981-1985); Acting Executive Director, APUC (1979); Committee on Administration - NARUC (1979-present); Board of Directors, National Regulatory Research Institute (1985-present); Vice Chairman of Alaska Educational Broadcasting Commission (1972-1975); born September 24, 1934, Montclair, New Jersey; four children.

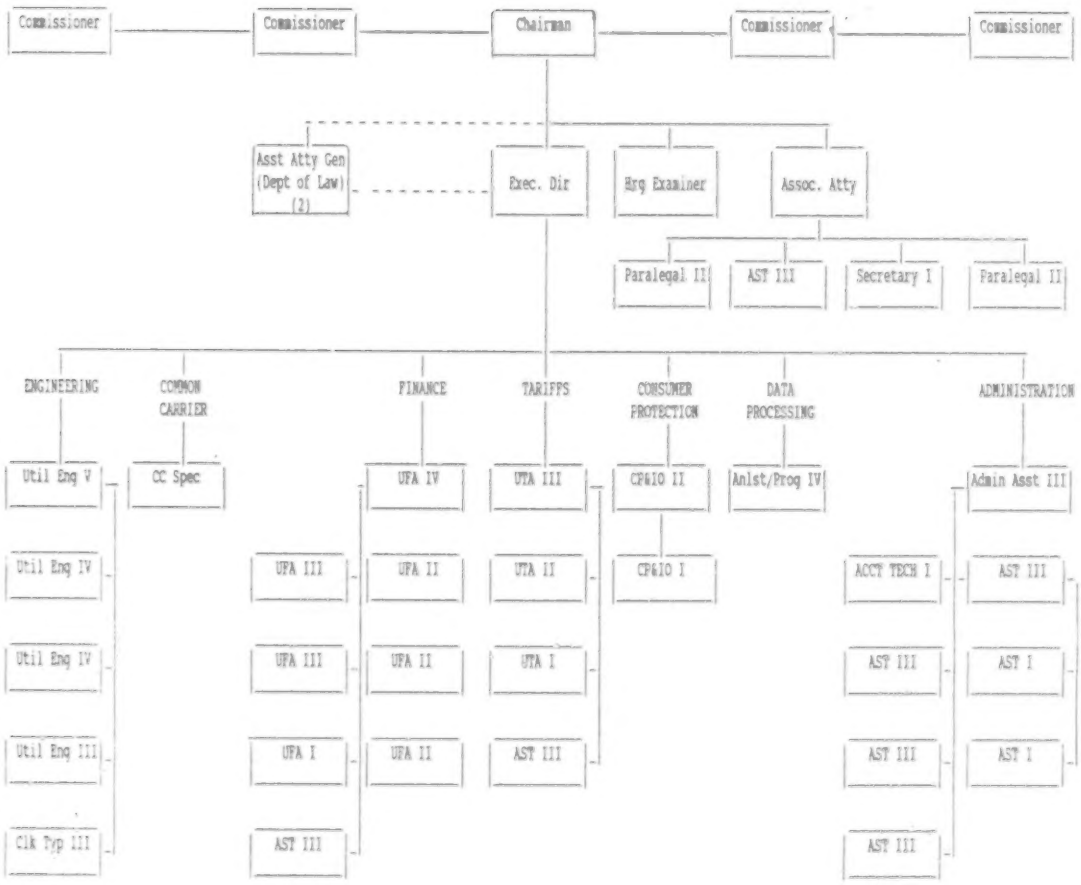
Kathleen L. Whiteaker, Commissioner (Appointed January 15, 1985 - current term ends October 31, 1992): Ohio University (BBA) Accounting, 1973; Certified Public Accountant, Alaska and Ohio; Committee on Finance & Technology - NARUC; Communications Committee - Western Conference of Public Service Commissions; Chairman, Federal Communications Commission Joint Board Staff (1983-1985); Chief, Communications Common Carrier Section - Alaska Public Utilities Commission (1982-1985); Chief, Finance, Accounts and Tariffs Section - Alaska Public Utilities Commission (1978-1982); Price Waterhouse & Co., Certified Public Accountants (1973-1978); Director, Pacific Sports, Inc.; born July 27, 1951, Cleveland, Ohio; married.

Peter Sokolov, Commissioner (Appointed July 16, 1987 - current term ends October 31, 1990): Northwestern University (MS) Electrical Engineering; University of Connecticut (MBA); Registered Professional Engineer in Alaska and New York; Chief Engineer - Alaska Public Utilities Commission (1979-1987); District Engineering Manager, New York Telephone (1971-1976); Staff Subcommittee on Engineering - NARUC; born June 29, 1936, Leghorn, Italy; married.

Daniel Patrick O'Tierney, Commissioner (Appointed March 1, 1989 - current term expires October 31, 1994): University of Notre Dame (Notre Dame Scholar Award) European Studies - Innsbruck, Austria; University of Alaska, Anchorage (BA *magna cum laude*) School of Justice; Northeastern University School of Law (JD); Alaska Bar Association, American Bar Association, Association of Trial Lawyers of America; Committee on Energy Conservation, NARUC; **FORMERLY:** Private Law Practice, 1985-89; Law Clerk, Alaska Supreme Court, 1983-84; Legislative Assistant, Alaska State Senate, 1980; Chairman (1987-89), Commissioner (1984-89), Alaska Public Offices Commission; **OTHER:** Adjunct Professor, University of Alaska (UAA), 1986-present; Legal Columnist, Alaska Business Monthly, 1986-present; Who's Who in American Law, 1989; Outstanding Community Service Award, UAA Alumni, 1987-88; Thespian; born March 8, 1952, St. Louis, Missouri; married (Caren L. Mathis), one daughter.

Ted S. Moninski II, Executive Director (Assumed position on May 1, 1986); Deputy Director, Alaska Public Utilities Commission (1981-1986); University of Alaska, Anchorage (BA) Economics; Graduate Training, University of Colorado Law School, University of Alaska, Anchorage, and Institute for Court Management; Area Court Administrator, First Judicial District; Assistant Area Court Administrator/Clerk of Court, Third Judicial District (1975-1981); Member, American Society for Public Administration; Member, National Association for Court Administration; Fellow, Institute for Court Management; Member, Municipal Budget Advisory Commission, Municipality of Anchorage.

ORGANIZATION CHART
ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT



ALASKA PUBLIC UTILITIES COMMISSION

OPERATING BUDGET FY88-FY89

APPROPRIATIONS	FY88	FY89
70100 PERSONAL SERVICES	$ 2,113,600	$ 2,113,600
70200 TRAVEL	57,100	57,100
70300 CONTRACTUAL	1,513,900	1,693,900
70400 COMMODITIES	22,000	22,000
70500 EQUIPMENT	2,900	2,900
TOTALS	$ 3,709,500	$ 3,889,500
EXPENDITURES		
70100 PERSONAL SERVICES	$ 2,103,500	$ 2,053,200
70200 TRAVEL	27,400	33,800
70300 CONTRACTUAL	1,174,300	978,600
70400 COMMODITIES	20,800	28,900
70500 EQUIPMENT	3,900	11,500
TOTALS	$ 3,329,900	$ 3,106,000
REVENUE RECEIPTS[1]		
GENERAL FUND:	$ 16,800	$ 13,100
PROGRAM RECEIPTS:	100,400	2,323,100[2]
TOTAL RECOVERED	$ 117,200	$ 2,336,200

[1]The Commission receives revenues under various provisions of its statutes including application fees (AS 42.05.661/-AS 42.06.607), copying and postage charges (AS 42.05.201), and allocating costs of proceedings (AS 42.05.651/AS 42.06.610).

[2]The Commission received partial payment in FY89 of its Phase II cost allocation in the tariff investigations involving the Trans Alaska Pipeline System.

STATUTES AND REGULATIONS

The Statutes

The Alaska Public Utilities Commission was created in 1959 under the Alaska Public Utilities Commission Act (AS 42.05) and, since 1970, has been a full-time administrative agency charged with the duty of regulating public utilities within the State. The jurisdiction of the Commission extends to electric, gas, refuse (garbage), sewer (wastewater), steam, telecommunications (cable television, local exchange, interexchange, and radio common carrier service), and water public utilities as defined by the Act. In 1981 the Legislature amended the Alaska Pipeline Commission Act (AS 42.06) to merge the Alaska Pipeline Commission into the Alaska Public Utilities Commission, and the Commission's jurisdiction was extended to pipeline carriers and pipelines.

The Commission is comprised of five commissioners appointed by the Governor and confirmed by the Legislature for six-year terms of office. In addition to the business, engineering, and law members, there are two consumer members of the Commission, and the Commission is empowered to employ personnel to assist it in the performance of its duties.

The Commission is responsible for making or requiring just, fair, and reasonable rates, classifications, regulations, practices, services, and facilities for public utilities and pipeline carriers. The Commission has the authority to investigate, hold hearings, prescribe systems of accounts, determine depreciation rates, require the filing of reports, adopt regulations, and take other lawful actions necessary to accomplish the stated purposes of AS 42.05 and AS 42.06. The Commission also determines the eligibility of electric utilities for power cost equalization and the kilowatt-hour subsidy amount under the provisions of AS 44.83.162 -- 44.83.164. The Commission is also empowered under AS 31.15.010 -- 31.15.050 to determine if there has been unjust and unreasonable discrimination in the purchase of oil offered for purchase within the State.

Under AS 42.05.221, a public utility providing service for compensation to more than ten customers is required to obtain a certificate of public convenience and necessity from the Commission.[1] A certificate describes the nature and extent of authority granted to a public utility, including a description of the authorized service area and the

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[1]Electric and telephone utilities grossing less than $50,000 are not required to be certificated unless 25 percent of their customers petition the Commission for regulation. AS 42.05.711(e).

scope of operations of the utility. Under AS 42.05.241 no certificate may be issued unless the Commission finds that the service is required for the convenience and necessity of the public and that the applicant is fit, willing, and able to provide the utility service requested. Similarly, pipeline carriers subject to the Commission's jurisdiction must secure a certificate of public convenience and necessity. A certificate for pipeline carriers generally includes the same information found in a public utility certificate.

A number of certificated utilities are statutorily exempt from economic regulation[2] by the Commission, including:

> (1) public utilities owned and operated by a political subdivision of the State, none of whose utilities is in competition with any other utility, unless the political subdivision elects to

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[2]Economic regulation is defined in 3 AAC 48.820(43) as meaning that the Commission's jurisdiction extends to matters concerning rates and charges for public utility or pipeline carrier services, quality of service provided by the utility or pipeline carrier to its customers or shippers, management practices of the utility or pipeline carrier, and customer or shipper complaints concerning the services furnished by a utility or pipeline carrier. The foregoing matters comprise the principal regulatory activities of the Commission other than certificate regulation under AS 42.05.221 -- 42.05.281, to which the indicated utilities remain subject under AS 42.05.711.

be regulated by the Commission[3] (AS 42.-05.711(b));

(2) garbage utilities with annual gross revenues of less than $200,000, unless 25 percent of the customers or customers paying 25 percent of a utility's gross revenues have petitioned the Commission for regulation (AS 42.05.-711(i));

(3) cable television utilities, unless 25 percent of the customers petition the Commission for regulation (AS 42.05.711(k)); and

(4) electric and telephone utilities with gross revenues of less than $50,000 are exempt from both certification requirements and economic regulation, unless 25 per cent of their customers petition for regulation.

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[3]The Anchorage municipal utilities and the Tlingit-Haida Regional Electrical Authority are the only utilities operated by a political subdivision subject to economic regulation.

AS 42.05.711 also defines other utilities which may, under terms specified in AS 42.05.712, elect to become economically deregulated by the Commission. Utilities which may elect to deregulate are

> (1) electric or telephone utilities with annual gross revenues of less than $325,000 (AS 42.05.711(f));
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> (2) utilities, other than electric or telephone utilities, with annual gross revenues of less than $100,000 (AS 42.05.711(g)); and
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> (3) cooperative utilities organized under AS 10.25 (AS 42.05.711(h)).

In a deregulation election at least 15 percent of a utility's customers must return ballots. If a majority of those returning ballots vote for deregulation, the utility is exempt from economic regulation by the Commission.

The Commission is also empowered under AS 42.05.-711(d) to exempt a utility from all or a portion of AS 42.05 on a finding that no legitimate public purpose would be served by regulating the utility or requiring it to comply with some aspect of the Commission's statutes or regulations. Under this provision, the Commission has exempted a number of small utilities from ratemaking regulation and, further, has allowed competitive provision of radio common

carrier services without ratemaking or other tariff review. Competition in refuse collection services, with potential economic deregulation, has also been introduced in a number of areas around the State.

Regulations

As provided for under AS 42.05.151, the Commission has adopted regulations necessary and proper to carry out the duties assigned to it by statute. The Commission's regulations are set out in the Alaska Administrative Code at Title 3, Part 5, Chapter 48 (Practice and Procedure); Chapter 49 (Deregulation); Chapter 50 (Energy Conservation); and Chapter 52 (Operation of Public Utilities).

SYNOPSIS OF COURT APPEALS

At this time eight appeals of Commission decisions are pending before the courts, and two cases are pending before Federal regulatory agencies.

Supreme Court

Alaska Consumer Advocacy Program v. APUC and Alascom, Inc. The Alaska Consumer Advocacy Program appealed the Superior Court's decision which upheld the Commission's order on the treatment of the transitional supplement paid by American Telephone & Telegraph to Alascom, Inc. Briefing is in progress.

Channel Sanitation Corporation v. APUC. Channel Sanitation Corporation appealed the Superior Court's decision which upheld the Commission's order that granted a certificate of public convenience and necessity to Juneau Sanitation Corporation. Briefing has not been scheduled.

City of Kenai v. APUC. Homer Electric Association, Inc., appealed the Superior Court's decision which held that the Commission exceeded its jurisdiction under AS 42.05.251 when it reviewed for reasonableness the City of Kenai's reliance on the common law of relocation expense allocation. The Court fund that the Commission has jurisdiction to determine the manner by which relocation expenses are recovered as operating expenses, but surcharges based on the provisions of AS 42.05.251 for the recovery of unreimbursed relocation expenses is outside the jurisdiction

and scope of the statute. A briefing schedule has not been issued at this time.

Stepanov and Effler v. APUC. Stepanov, Effler, and Homer Electric Association, Inc., appealed the Superior Court's decision which upheld the Commission's order in this case. A briefing schedule has not been issued at this time.

Superior Court

Anchorage Sewer Utility v. APUC. The Anchorage Sewer Utility (ASU) appealed the Commission's order which rejected the amendments to a contract between ASU and the Department of Defense. A briefing schedule has not been issued at this time.

Anchorage Telephone Utility v. APUC. Anchorage Telephone Utility (ATU) appealed the Commission's decision in the toll dispute between ATU and Alascom, Inc. (Alascom), in which the Commission determined that ATU must pay approximately $22 million to Alascom. Briefing and oral argument have been completed. No decision has been issued.

Cook Inlet Pipe Line Company v. APUC. Cook Inlet Pipe Line Company (CIPL) appealed the Commission's decision which established a methodology for regulating the pipeline. Briefing has been completed. No decision has been issued.

Far North Sanitation v. APUC. Far North Sanitation, Inc. (Far North), appealed the Commission's order which required the utility to refund certain monies to its customers inside the

corporate city limits of Fairbanks. Briefing has been completed, and a motion for oral argument is pending.

Golden Valley Electric Association, Inc. v. APUC. Golden Valley Electric Association, Inc. (GVEA), appealed the Commission's determination of GVEA's avoided cost under which the utility must purchase energy from a cogenerator pursuant to the Public Utility Regulatory Policies Act of 1978. This appeal was stayed pending conclusion of Docket U-85-3.

Kodiak Electric Association, Inc. v. APUC. Kodiak Electric Association, Inc. (KEA), appealed the Commission's order which invalidated the deregulation election because KEA failed to provide its membership list to a member under AS 42.05.712. Briefing is in progress.

Polestar, Inc. v. APUC. Polestar, Inc., appealed the Commission's order which granted a certificate of public convenience and necessity to Norgasco, Inc., for the operation of a natural gas public utility in the Prudhoe Bay and Deadhorse areas. Briefing is in progress.

Also before the Superior Court is a complaint for declaratory relief in *Carr Gottstein v. APUC* in which the complainant is asking the Court to declare as unlawful the Commission's practice regarding interim, refundable rate increases with regard to rate redesign. No briefing schedule has been issued.

Federal Regulatory Agency Actions

The Federal Energy Regulatory Commission (FERC) issued a clarifying order in response to the petition filed by Cook Inlet Pipe Line Company (CIPL) requesting summary disposition before FERC as to the lawfulness of the intrastate rates established by the APUC. The FERC declined to rule on the lawfulness of the intrastate rate ordered by the APUC.

The Federal Communications Commission (FCC) adopted the Joint Board's recommendation on the appropriate treatment of "mixed use special access lines." The FCC amended Part 36 to provide that state private lines and state WATS lines will include all private lines carrying exclusively state traffic as well as private lines and WATS lines carrying both state and interstate traffic if the interstate traffic on the line involved constitutes 10 percent or less of the total traffic on the line. This decision may impact the pending request of Alascom, Inc., before the FCC for a declaratory ruling regarding intrastate private lines.